
DIGEST

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HB 536 Original

2020 Regular Session

Schexnayder

Abstract: Creates the La. Unclaimed Property Permanent Trust Fund (UCP Permanent Trust Fund) to fund claims made by owners of unclaimed property.

Among other uses of unclaimed property funds provided for in present law (R.S. 9:165) the treasurer is directed to credit \$15 million each year from unclaimed property funds to the Unclaimed Property Leverage Fund. This sum is to pay the principal, premium, and interest on bonds issued to complete Interstate 49 infrastructure projects.

Present law provides that all unexpended and unencumbered money in the Unclaimed Property Leverage Fund at the end of each fiscal year remains in the fund. Proposed law provides that all unexpended and unencumbered money in the fund at the end of the fiscal year is credited to the UCP Permanent Trust Fund, established in proposed law.

Proposed law creates the UCP Permanent Trust Fund to be used solely for the payment of claims made by owners. Further, prohibits appropriation from the fund.

Proposed law requires the net amount of monies received pursuant to present law (Uniform Unclaimed Property Act, R.S. 9:151 et seq and the Unclaimed Property Leverage Fund, R.S. 9:165) to be credited to the UCP Permanent Trust Fund. Further requires realized capital gains, dividend income, and interest income, earned on the investments in the fund, net of trust fund investment and administrative expenses, to be deposited into the State General Fund.

Proposed law requires the state treasurer to annually report the fund balance and the state's potential liability for unclaimed property claims to the legislature and the governor. Further authorizes money to be deposited into the UCP Permanent Trust Fund until the balance in that fund equals the state's reported potential liability for all unclaimed property. Once this threshold is reached in the UCP Permanent Trust Fund, proposed law requires any additional money to be deposited into the State General Fund.

Proposed law authorizes the state treasurer to invest up to 50% of the balance in the UCP Permanent Trust Fund in the same manner as authorized in present law (R.S. 17:3803) for the La. Education Quality Trust Fund. Further authorizes the treasurer to contract for the management of the investments and to pay expenses of the fund from investment earnings. Also authorizes payment of administrative expenses attributable to the custody, investment and disbursement of fund monies from investment earnings.

Proposed law authorizes the treasurer to transfer money from the UCP Permanent Trust Fund if claims for unclaimed property exceed receipts. Requires the treasurer to certify the amount needed to pay claims received and immediately notify the legislature and the governor of the new fund balance once he has transferred the money.

Effective July 1, 2021, *if* the proposed amendment of Article VII, Section 28 of the Constitution of La. contained in the Act which originated as House Bill No. ___ of this 2020 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 9:165(C)(3); Adds R.S. 39:100.147)