

2019 Regular Session

HOUSE BILL NO. 292

BY REPRESENTATIVE BARRAS

FUNDS/FUNDING: Dedication of unclaimed property funds and creation of Louisiana Unclaimed Property Permanent Trust Fund and Louisiana Unclaimed Property Support Fund

1 AN ACT

2 To amend and reenact R.S. 9:165(C)(3) and to enact Subpart T of Part II of Chapter 1 of  
3 Title 39 of the Louisiana Revised Statutes of 1950, to be comprised of R.S.  
4 39:100.147, relative to unclaimed property; to provide for the dedication and credit  
5 of unclaimed property monies; to provide for the creation of special funds; to provide  
6 for the investment and administration of the monies in the special funds; to provide  
7 for the use of monies in the special funds; to provide for the reporting requirements  
8 of the monies in the special funds; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 9:165(C)(3) is hereby amended and reenacted to read as follows:

11 §165. Deposit of funds

12 \* \* \*

13 C.

14 \* \* \*

15 (3) All unexpended and unencumbered monies in the Unclaimed Property  
16 Leverage Fund, the I-49 North Account, and the I-49 South Account at the end of the  
17 fiscal year shall ~~remain in the Unclaimed Property Leverage Fund, the I-49 North~~  
18 ~~Account, and the I-49 South Account~~ and interest earned on the investment of these  
19 ~~monies shall be credited to the Unclaimed Property Leverage Fund, the I-49 North~~

1 ~~Account, and the I-49 South Account~~ be credited into the Louisiana Unclaimed  
2 Property Permanent Trust Fund by the state treasurer.

3 Section 2. Subpart T of Part II of Chapter 1 of Title 39 of the Louisiana Revised  
4 Statutes of 1950, comprised of R.S. 39:100.147 is hereby enacted to read as follows:

5 SUBPART T. LOUISIANA UNCLAIMED PROPERTY TRUST FUND

6 §100.147. Louisiana Unclaimed Property Trust Fund

7 A. There shall be established in the state treasury as a special permanent trust  
8 fund, the Louisiana Unclaimed Property Permanent Trust Fund, hereinafter referred  
9 to as the "UCP Permanent Trust Fund", and a special fund, the Louisiana Unclaimed  
10 Property Support Fund, hereinafter referred to as the "UCP Support Fund."

11 (1) The purpose of the UCP Permanent Trust Fund is to provide a source of  
12 payment of claims made by owners of unclaimed property. Notwithstanding the  
13 allocation of money to the Bond Security and Redemption Fund as provided in  
14 Article VII, Section 9(B) of the constitution, the treasurer shall at least annually  
15 deposit in and credit to the UCP Permanent Trust Fund, the net amount of all monies  
16 received as a result of the Uniform Unclaimed Property Act as established in R.S.  
17 9:151, et seq. No appropriation shall be made from the UCP Permanent Trust Fund.

18 (2) The purpose of the UCP Support Fund is to ensure a source of funds for  
19 the state capital outlay revolving loan bank, established by law. Notwithstanding the  
20 allocation of money to the Bond Security and Redemption Fund as provided in  
21 Article VII, Section 9(B) of the constitution, the treasurer shall deposit in and credit  
22 to the UCP Support Fund, the following:

23 (a) Interest income earned on investment of monies in the UCP Permanent  
24 Trust Fund.

25 (b) Realized capital gains on investment of the UCP Permanent Trust Fund.

26 (c) Dividend income earned on investment of the UCP Permanent Trust  
27 Fund.

28 (d) All monies received as repayment of loans made through the state capital  
29 outlay revolving loan bank, as established by law.

1           (e) All proceeds from the sale of securities held by Unclaimed Property.

2           (3) All monies shall be credited to the respective funds as provided in  
3           Paragraphs (1) and (2) of this Subsection until the balance in the UCP Permanent  
4           Trust Fund equals the amount of the state's potential liability to unclaimed property  
5           claimants as reported in the previous fiscal year by the state treasurer. All money  
6           received above the state's potential liability to unclaimed property claimants as  
7           reported by the state treasurer shall be deposited into the UCP Support Fund.

8           B. The money credited to the UCP Permanent Trust Fund pursuant to  
9           Subsection A of this Section shall be permanently credited to the UCP Permanent  
10          Trust Fund and shall be invested by the treasurer. Notwithstanding any provision of  
11          the constitution or other law to the contrary, a portion of money in the UCP  
12          Permanent Trust Fund, not to exceed fifty percent, may be invested in equities. The  
13          amounts in the UCP Support Fund shall be available for appropriation to pay  
14          expenses incurred in the investment and management of the UCP Permanent Trust  
15          Fund.

16          (1) The monies deposited in and permanently credited to the UCP Permanent  
17          Trust Fund pursuant to Subsection A of this Section shall be invested by the state  
18          treasurer.

19          (2) The state treasurer is authorized and directed to invest the monies  
20          deposited in and credited to the UCP Permanent Trust Fund that are available for  
21          investment in the investments permitted for the Louisiana Education Quality Trust  
22          Fund as set forth in R.S. 17:3803(B), (D), and (E).

23          (3) The state treasurer may contract, subject to the approval of the State  
24          Bond Commission, for the management of such investments. The earnings on  
25          investments from the fund shall be available to pay expenses incurred for outside  
26          investment managers for the investment and management of the fund and for other  
27          custody, investment, and disbursement costs directly attributable to the fund, and as  
28          otherwise provided for in this Section.

1           (4) Expenses attributable to the state treasurer exercising responsibility for  
2           the custody, investment, and disbursement of the monies in the fund are  
3           administrative costs properly paid out of the earnings on investments from the fund  
4           and shall be paid by appropriation from the earnings. Costs include those costs  
5           attributable to fees charged by any financial institution for providing custodial  
6           services, which shall not exceed two percent of the amount managed, cost incurred  
7           for outside investment managers for the investment and management of the fund,  
8           which shall not exceed two percent of the amount managed and other direct costs  
9           incurred by the state treasurer.

10           C.(1) The state treasurer shall annually submit to the legislature and the  
11           governor, not less than sixty days prior to the beginning of each regular session of  
12           the legislature, a report of the following:

13           (a) The balance of the UCP Permanent Trust Fund and UCP Support Fund  
14           as of the close of the prior fiscal year.

15           (b) The state's potential liability to unclaimed property claimants as of the  
16           close of the prior fiscal year.

17           (2) If unclaimed property claims exceed receipts, the state treasurer shall  
18           certify such and allocate sufficient funds from the UCP Permanent Trust Fund to pay  
19           the amount that claims have exceeded receipts, and immediately notify the  
20           legislature and governor of the amount transferred from the UCP Permanent Trust  
21           Fund and amount remaining in the UCP Permanent Trust Fund.

22           D.(1) Property received by the state pursuant to the Uniform Unclaimed  
23           Property Act as established in R.S. 9:151 et seq., and deposited into the UCP  
24           Permanent Trust Fund is private property held in trust until a claim is made for it by  
25           the owner.

26           (2) The legislature shall establish by law a state capital outlay revolving loan  
27           bank, which shall administer a revolving loan program for the benefit of local  
28           governmental subdivisions, political subdivisions, or municipalities as defined in  
29           Article VI, Section 44 of the constitution.



income, realized capital gains, and dividend income from the UCP Permanent Trust Fund, all monies received as repayment of loans made by the state capital outlay revolving loan bank, and proceeds from sales of securities.

Proposed law requires the monies to be deposited into both funds until the UCP Permanent Trust Fund balance equals the state's potential liability for all unclaimed property, then additional monies shall be deposited into the UCP Support Fund.

Proposed law authorizes the state treasurer to invest up to 50% of the monies in the UCP Permanent Trust Fund into the same investment funds permitted by the La. Education Quality Trust Fund and authorizes the treasurer to contract with and pay for cost of investment managers.

Proposed law requires the state treasurer to submit an annual report including the balance of the funds and the state's potential liability of unclaimed property to the legislature and governor.

Effective if and when 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 2019 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)