
DIGEST

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HB 292 Reengrossed

2019 Regular Session

Barras

Abstract: Creates the La. Unclaimed Property Permanent Trust Fund (UCP Permanent Trust Fund) to fund claims made by owners of unclaimed property, and the La. Unclaimed Property Support Fund (UCP Support Fund) to fund a revolving loan commission for local government infrastructure.

Present law credits all unexpended and unencumbered monies for I-49 and the interest earned on the investment of the monies to the Unclaimed Property Leverage Fund.

Proposed law changes present law by crediting all unexpended and unencumbered monies for I-49 into the Unclaimed Property Leverage Fund and at the end of the fiscal year credits all remaining monies into the UCP Permanent Trust Fund.

Present law requires the treasurer to deposit all unclaimed property funds received into the Bond Security and Redemption Fund, minus \$500,000 in a separate trust fund to pay claims, and record the identification information for persons entitled to the property. Further, the treasurer may deduct monies for the cost for auditing and administration of the fund. The treasurer shall deposit \$15 million each fiscal year into the Unclaimed Property Leverage Fund for I-49 for usage of the funds.

Proposed law creates the UCP Permanent Trust Fund and credits all monies received as a result of the unclaimed property pursuant to present law and the Unclaimed Property Leverage Fund into the UCP Permanent Trust Fund after making deposits pursuant to present law. The UCP Permanent Trust Fund is to be used solely for the payment of claims made by owners. Proposed law prohibits appropriations to be used from the fund.

Proposed law also creates the UCP Support Fund to provide a source of funds for an unclaimed property revolving loan commission. The UCP Support Fund shall be funded by interest income, realized capital gains, and dividend income from the UCP Permanent Trust Fund, all monies received as repayment of loans made by the unclaimed property revolving loan commission, 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 the 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. 291 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)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Change "the state capital outlay revolving loan bank" to "the unclaimed property revolving loan commission."

The House Floor Amendments to the engrossed bill:

1. Make effective date upon passage and adoption at a statewide election of HB No. 291.
2. Make technical changes.