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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jerry J. Guillot.

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DIGEST

SB 12 Engrossed

2020 First Extraordinary Session

Fesi

Proposed constitutional amendment creates the UCP Permanent Trust Fund to be used solely for the payment of claims made by owners. Further, exempts the UCP Permanent Trust Fund from present constitution requirements relative to the Bond Security and Redemption Fund. Proposed constitutional amendment prohibits appropriation from the UCP Permanent Trust Fund.

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

Proposed constitutional amendment requires the state treasurer to annually report the UCP Permanent Trust 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 constitutional amendment requires any additional money received to be deposited into the State General Fund.

Proposed constitutional amendment authorizes the state treasurer to invest up to 50% of the balance in the UCP Permanent Trust Fund in equities. Requires the legislature to establish procedures for the investment of the funds and authorizes the treasurer to contract for the management of the investments.

Proposed constitutional amendment 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.

Proposal constitutional amendment becomes effective on July 1, 2021.

Specifies submission of the amendment to the voters at the statewide election to be held on November 3, 2020.

(Adds Const. Art. VII, §10(F)(4)(i) and §28)