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 DIGEST
 

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SB 18 Reengrossed

2020 First Extraordinary Session

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Proposed law creates the La. Unclaimed Property Permanent Trust Fund (UCP Permanent Trust Fund) to fund claims made by owners of unclaimed property.

Present law (R.S. 9:151 et seq.) establishes requirements and procedures for transfer to the state treasury of property that remains unclaimed for a certain period of time. Proposed law retains present law.

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

Proposed law provides that after allocation of money to the Bond Security and Redemption Fund as required by present constitution, after payment of all administrative fees, costs, and expenses as provided by law, and after the deposit of monies into the Unclaimed Property Leverage Fund, the treasurer shall annually deposit and credit to the UCP Permanent Trust Fund the net amount of all monies received pursuant to present law (Uniform Unclaimed Property Act of 1997 or its successor). 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 Senate Bill No. 12 of this 2020 1st Ex. Sess. of the Legislature is adopted at a statewide election and becomes effective.

(Adds R.S. 39:100.161)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Provide that the UCP Permanent Trust Fund must meet present constitutional requirements relative to the Bond Security and Redemption Fund.

2. Provide for payment of specified expenses prior to deposit of monies into the UCP Permanent Trust Fund.

Summary of Amendments Adopted by House

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

1. Remove language regarding pledge of monies in the Unclaimed Property Leverage Fund.