

SENATE BILL NO. 12

BY SENATOR FESI

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A JOINT RESOLUTION

Proposing to add Article VII, Section 10(F)(4)(i) and Part V of Article VII, to be comprised of Section 28, of the Constitution of Louisiana, relative to unclaimed property funds; to provide for the creation of a special trust fund; to provide for the dedication and credit of unclaimed property monies; to provide for the investment, administration, and use of the monies in the special trust fund; to exempt the monies in the fund from reduction in certain circumstances; to provide for certain reporting requirements; to provide for appropriation of monies in the special fund; to provide for an effective date; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Section 10(F)(4)(i) and Part V of Article VII, comprised of Section 28, of the Constitution of Louisiana, to read as follows:

§10. Expenditure of State Funds

* * *

(F)

* * *

(4) The provisions of Subparagraphs (1) and (2) of this Paragraph shall not be applicable to, nor affect:

* * *

(i) The Louisiana Unclaimed Property Permanent Trust Fund, as

1 provided in Article VII, Section 28 of this constitution.

2 * * *

3 PART V. UNCLAIMED PROPERTY

4 §28. Louisiana Unclaimed Property Permanent Trust Fund

5 Section 28.(A) Creation of Fund. (1) Effective July 1, 2021, there shall be
 6 established in the state treasury as a special permanent trust fund, the
 7 Louisiana Unclaimed Property Permanent Trust Fund, referred to as the "UCP
 8 Permanent Trust Fund". No appropriation shall be made from the UCP
 9 Permanent Trust Fund.

10 (2) The purpose of the UCP Permanent Trust Fund is to ensure a source
 11 of payment for claims made by owners of unclaimed property. After allocation
 12 of money to the Bond Security and Redemption Fund as provided in Article
 13 VII, Section 9(B) of this constitution, after the payment of all administrative
 14 fees, costs, and expenses as provided by law, and after the deposit of monies into
 15 the Unclaimed Property Leverage Fund, the treasurer shall annually deposit in
 16 and credit to the UCP Permanent Trust Fund the net amount of all monies
 17 received as a result of the Uniform Unclaimed Property Act of 1997 or its
 18 successor.

19 (3) Realized capital gains, dividend income, and interest income, earned
 20 on the investments in the UCP Permanent Trust Fund, net of trust fund
 21 investment and administrative expenses, shall be deposited into the State
 22 General Fund.

23 (4) All monies shall be credited to the fund as provided in Subparagraph
 24 (2) of this Paragraph until the balance in the UCP Permanent Trust Fund
 25 equals the amount of the state's potential liability to unclaimed property
 26 claimants as reported in the previous fiscal year pursuant to Paragraph (C) of
 27 this Section. All money received above the state's potential liability to unclaimed
 28 property claimants as reported by the state treasurer shall be deposited into the
 29 State General Fund.

30 (B) Investment and Administration. The money credited to the UCP

1 Permanent Trust Fund pursuant to Paragraph (A) of this Section shall be
2 permanently credited to the UCP Permanent Trust Fund and shall be invested
3 by the treasurer. Notwithstanding any provision of this constitution to the
4 contrary, a portion of money in the UCP Permanent Trust Fund, not to exceed
5 fifty percent of the money in the UCP Permanent Trust Fund, may be invested
6 in equities. The legislature shall establish by law procedures for the investment
7 of such monies. The treasurer may contract, subject to the approval of the State
8 Bond Commission, for the management of such investments. Investment
9 earnings shall be available for appropriation to pay expenses incurred in the
10 investment and management of the UCP Permanent Trust Fund.

11 (C) Reports; Allocation. (1) Not less than sixty days prior to the
12 beginning of each regular session of the legislature, the state treasurer shall
13 submit to the legislature and the governor a report of the following:

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

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

18 (2) Notwithstanding the provisions of Subparagraph (1) of this
19 Paragraph, not less than sixty days prior to the beginning of the 2022 Regular
20 Session of the legislature, the state treasurer shall submit to the legislature and
21 the governor a report of the following:

22 (a) The balance of the UCP Permanent Trust Fund as of January 1, 2022.

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

25 (3) If unclaimed property claims exceed receipts, the state treasurer shall
26 certify the amount needed to pay received claims and shall allocate sufficient
27 funds from the UCP Permanent Trust Fund to pay that amount. The state
28 treasurer shall also immediately notify the legislature and governor of the
29 amount transferred from the UCP Permanent Trust Fund and amount
30 remaining in the UCP Permanent Trust Fund.

1 (D) Private Property. Property received by the state pursuant to the
 2 Uniform Unclaimed Property Act of 1997 or its successor and deposited into the
 3 UCP Permanent Trust Fund is private property held in trust until a claim is
 4 made for it by the owner.

5 Section 2. Be it further resolved that the provisions of the amendment contained
 6 in this Joint Resolution shall become effective on July 1, 2021.

7 Section 3. Be it further resolved that this proposed amendment shall be submitted to
 8 the electors of the state of Louisiana at the statewide election to be held on November 3,
 9 2020.

10 Section 4. Be it further resolved that on the official ballot to be used at said election
 11 there shall be printed a proposition, upon which the electors of the state shall be permitted
 12 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
 13 follows:

14 Do you support an amendment to create the Louisiana
 15 Unclaimed Property Permanent Trust Fund to preserve the
 16 money that remains unclaimed by its owner or owners?
 17 (July 1, 2021) (Adds Article VII, Sections 10(F)(4)(i) and 28)

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES