

RÉSUMÉ DIGEST

ACT 20 (SB 18)

2020 First Extraordinary Session

Fesi

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

Prior law (R.S. 9:151 et seq.) established requirements and procedures for transfer to the state treasury of property that remains unclaimed for a certain period of time. New law retains prior law.

New 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.

New 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 prior 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.

New 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, new law requires any additional money to be deposited into the state general fund.

New 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 prior 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.

New 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 SB 12 of the 2020 1st Ex. Sess. is adopted at a statewide election and becomes effective.

(Adds R.S. 39:100.161)