

SENATE BILL NO. 18

BY SENATOR FESI

1 AN ACT

2 To enact Subpart U of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana
3 Revised Statutes of 1950, to be comprised of R.S. 39:100.161, relative to unclaimed
4 property; to provide for the dedication and credit of unclaimed property monies; to
5 provide for the creation of a special fund; to provide for the investment and
6 administration of the money in the special fund; to provide for the use of money in
7 the special fund; to provide for reporting requirements; and to provide for related
8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Subpart U of Part II-A of Chapter 1 of Subtitle I of Title 39 of the
11 Louisiana Revised Statutes of 1950, comprised of R.S. 39:100.161, is hereby enacted to read
12 as follows:

13 **SUBPART U. LOUISIANA UNCLAIMED PROPERTY**14 **PERMANENT TRUST FUND**15 **§100.161. Louisiana Unclaimed Property Permanent Trust Fund**

16 **A. There shall be established in the state treasury as a special permanent**
17 **trust fund, the Louisiana Unclaimed Property Permanent Trust Fund, referred**
18 **to as the "UCP Permanent Trust Fund". No appropriation shall be made from**
19 **the UCP Permanent Trust Fund.**

20 **(1) The purpose of the UCP Permanent Trust Fund is to ensure a source**
21 **of payment for claims made by owners of unclaimed property. After allocation**
22 **of money to the Bond Security and Redemption Fund as provided in Article**
23 **VII, Section 9(B) of the Louisiana Constitution, after the payment of all**
24 **administrative fees, costs, and expenses as provided by law, and after the**
25 **deposit of monies into the Unclaimed Property Leverage Fund, the treasurer**
26 **shall annually deposit in and credit to the UCP Permanent Trust Fund the net**

1 amount of all monies received as a result of the Uniform Unclaimed Property
2 Act of 1997 or its successors at least annually.

3 (2) Realized capital gains, dividend income, and interest income, earned
4 on the investments in the UCP Permanent Trust Fund, net of trust fund
5 investment and administrative expenses, shall be deposited into the state general
6 fund.

7 (3) All monies shall be credited to the fund as provided in Paragraph (1)
8 of this Subsection until the balance in the UCP Permanent Trust Fund equals
9 the amount of the state's potential liability to unclaimed property claimants as
10 reported in the previous fiscal year pursuant to Subsection C of this Section. All
11 monies received in excess of the state's potential liability to unclaimed property
12 claimants as reported by the state treasurer shall be deposited into the state
13 general fund.

14 B.(1) The monies credited to the UCP Permanent Trust Fund pursuant
15 to Subsection A of this Section shall be permanently credited to the UCP
16 Permanent Trust Fund and shall be invested by the treasurer. Notwithstanding
17 any provision of law to the contrary, a portion of money in the UCP Permanent
18 Trust Fund, not to exceed fifty percent of the money in the fund, may be
19 invested in equities. Investment earnings shall be available for appropriation to
20 pay expenses incurred in the investment and management of the UCP
21 Permanent Trust Fund.

22 (2) The monies deposited in and permanently credited to the UCP
23 Permanent Trust Fund pursuant to Subsection A of this Section shall be
24 invested by the state treasurer.

25 (3) Subject to the limitations provided in this Subsection, the state
26 treasurer may invest the monies deposited in and credited to the UCP
27 Permanent Trust Fund in the same manner as authorized for the Louisiana
28 Education Quality Trust Fund as set forth in R.S. 17:3803.

29 (4) Subject to the approval of the State Bond Commission, the state
30 treasurer may contract for the management of UCP Permanent Trust Fund

1 investments. Expenses of the fund, including but not limited to expenses
2 incurred for outside investment managers for the investment and management
3 of the fund assets and for other custody, investment, and disbursement costs
4 directly attributable to the fund, may be paid from fund investment earnings.

5 (5) Expenses attributable to the state treasurer exercising responsibility
6 for the custody, investment, and disbursement of the monies in the fund are
7 administrative costs that shall be paid by appropriation from fund investment
8 earnings. For the purposes of this Paragraph, the term "administrative costs"
9 includes but is not limited to those costs attributable to fees charged by any
10 financial institution for providing custodial services, which shall not exceed two
11 percent of the amount managed, and costs incurred for outside investment
12 managers for the investment and management of the fund, which shall not
13 exceed two percent of the amount managed.

14 C.(1) Not less than sixty days before the beginning of each regular
15 session of the legislature, the state treasurer shall submit to the legislature and
16 the governor a report of the following:

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

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

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

27 D. Property received by the state pursuant to the Uniform Unclaimed
28 Property Act of 1997 as established in R.S. 9:151 et seq. and deposited into the
29 UCP Permanent Trust Fund is private property held in trust until a claim is
30 made for it by the owner.

1 Section 2. Notwithstanding any provision of this Act to the contrary, the first report
2 due pursuant to R.S. 39:100.161(C) shall be submitted to the legislature and the governor
3 not less than sixty days prior to the beginning of the first regular session of the legislature
4 after this Act becomes effective and shall contain the following: the balance of the UCP
5 Permanent Trust Fund as of January 1, 2022, and the state's potential liability to unclaimed
6 property claimants as of the close of the prior fiscal year.

7 Section 3. This Act shall take effect and become operative on July 1, 2021, if the
8 proposed amendment enacting Article VII, Section 28 of the Constitution of Louisiana
9 contained in the Act which originated as Senate Bill No. 12 of this 2020 First Extraordinary
10 Session of the Legislature is adopted at a statewide election and becomes effective.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____