

2019 Regular Session

HOUSE BILL NO. 291

BY REPRESENTATIVES BARRAS, ADAMS, AMEDEE, BACALA, BAGLEY, BERTHELOT, BISHOP, BOURRIAQUE, CARMODY, STEVE CARTER, CHANEY, COUSSAN, CREWS, DAVIS, DEVILLIER, DUBUISSON, EDMONDS, EMERSON, FOIL, GAROFALO, LANCE HARRIS, HILFERTY, HOFFMANN, HORTON, HOWARD, MIKE JOHNSON, MCFARLAND, MCMAHEN, MIGUEZ, GREGORY MILLER, JAY MORRIS, MUSCARELLO, PEARSON, PUGH, PYLANT, SCHEXNAYDER, SEABAUGH, SIMON, STAGNI, STEFANSKI, TALBOT, THOMAS, TURNER, AND ZERINGUE

FUNDS/FUNDING: (Constitutional Amendment) Dedication of unclaimed property funds and creation of Louisiana Unclaimed Property Permanent Trust Fund and Louisiana Unclaimed Property Support Fund

1 A JOINT RESOLUTION
2 Proposing to add Article VII, Section 28 of the Constitution of Louisiana, relative to
3 unclaimed property funds; to provide for the creation of special funds; to provide for
4 the dedication and credit of unclaimed property monies; to provide for the
5 investment, administration, and use of the monies in the special funds; to provide for
6 certain reporting requirements; to provide for appropriation of monies in the special
7 funds; to provide for an effective date; to provide for submission of the proposed
8 amendment to the electors; and to provide for related matters.

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

13 PART V. UNCLAIMED PROPERTY
14 §28. Louisiana Unclaimed Property Trust Fund
15 Section 28.(A) Creation of Fund. Effective July 1, 2020, there shall be
16 established in the state treasury as a special permanent trust fund, the Louisiana

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 Unclaimed Property Permanent Trust Fund, referred to as the "UCP Permanent Trust
2 Fund", and a special fund, the Louisiana Unclaimed Property Support Fund, referred
3 to as the "UCP Support Fund".

4 (1) The purpose of the UCP Permanent Trust Fund is to ensure a source of
5 payment of claims made by owners of unclaimed property. Notwithstanding the
6 allocation of money to the Bond Security and Redemption Fund as provided in
7 Article VII, Section 9(B) of this constitution, the treasurer shall at least annually
8 deposit in and credit to the UCP Permanent Trust Fund, the net amount of all monies
9 received as a result of the Uniform Unclaimed Property Act as established in R.S.
10 9:151 et seq. No appropriation shall be made from the UCP Permanent Trust Fund.

11 (2) The purpose of the UCP Support Fund is to provide a source of funds for
12 the unclaimed property revolving loan commission, established by law.
13 Notwithstanding the allocation of money to the Bond Security and Redemption Fund
14 as provided in Article VII, Section 9(B) of this constitution, the treasurer shall
15 deposit in and credit to the UCP Support Fund, the following:

16 (a) Interest income earned on investment of monies in the UCP Permanent
17 Trust Fund.

18 (b) Realized capital gains on investment of the UCP Permanent Trust Fund.

19 (c) Dividend income earned on investment of the UCP Permanent Trust
20 Fund.

21 (d) All monies received as repayment of loans made through the unclaimed
22 property revolving loan commission, as established by law.

23 (e) All proceeds from the sale of securities held by the Unclaimed Property
24 Division.

25 (3) All monies shall be credited to the respective funds as provided in
26 Subparagraphs (1) and (2) of this Paragraph until the balance in the UCP Permanent
27 Trust Fund equals the amount of the state's potential liability to unclaimed property
28 claimants as reported in the previous fiscal year by the state treasurer. All money

1 received above the state's potential liability to unclaimed property claimants as
2 reported by the state treasurer shall be deposited into the UCP Support Fund.

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

14 (C) Reports; Allocation. (1) The state treasurer shall annually submit to the
15 legislature and the governor, not less than sixty days prior to the beginning of each
16 regular session of the legislature, a report of the following:

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

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

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

26 (D) Public Purposes; Disbursement. (1) Property received by the state
27 pursuant to the Uniform Unclaimed Property Act as established in R.S. 9:151 et seq.,
28 and deposited into the UCP Permanent Trust Fund is private property held in trust
29 until a claim is made for it by the owner.

1 (2) The legislature shall establish by law an unclaimed property revolving
2 loan commission, which shall administer a revolving loan program for the benefit of
3 local governmental subdivisions, political subdivisions, or municipalities as defined
4 in Article VI, Section 44 of this constitution.

5 (3) Money in the UCP Support Fund may be transferred by the state treasurer
6 for use by the unclaimed property revolving loan commission to make loans.

7 (4) The monies disbursed from the UCP Support Fund for use as revolving
8 loans shall not displace, replace, or supplant appropriations from the state general
9 fund (direct) or any other specific constitutional or statutory dedication to local
10 governmental subdivisions, political subdivisions, or municipalities in existence on
11 July 1, 2020.

12 Section 2. Be it further resolved that the provisions of the amendment contained in
13 this Joint Resolution shall become effective July 1, 2020.

14 Section 3. Be it further resolved that this proposed amendment shall be submitted
15 to the electors of the state of Louisiana at the statewide election to be held on October 12,
16 2019.

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

21 Do you support an amendment to create the Louisiana Unclaimed Property
22 Permanent Trust Fund to protect money owed to citizens and to create the
23 Louisiana Unclaimed Property Support Fund to fund a revolving loan
24 commission for local government infrastructure? (July 1, 2020) (Adds Article
25 VII, Section 28)

 DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 291 Re-Reengrossed

2019 Regular Session

Barras

Abstract: Creates the La. Unclaimed Property Permanent Trust Fund (UCP Permanent Trust Fund) to fund claims made by owners of unclaimed property, and the La. Unclaimed Property Support Fund (UCP Support Fund) to fund a revolving loan commission for local government infrastructure.

Proposed constitutional amendment creates the UCP Permanent Trust Fund and credits all monies received as a result of the unclaimed property pursuant to present law and the Unclaimed Property Leverage Fund into the UCP Permanent Trust Fund after making deposits pursuant to present law. The UCP Permanent Trust Fund is to be used solely for the payment of claims made by owners. Proposed constitutional amendment prohibits appropriation from the fund.

Proposed constitutional amendment also creates the UCP Support Fund to provide a source of funds for the unclaimed property revolving loan commission for local government infrastructure. The UCP Support Fund shall be funded by interest income, realized capital gains, and dividend income from the UCP Permanent Trust Fund, all monies received as repayment of loans made by the unclaimed property revolving loan commission, and proceeds from sales of securities.

Proposed constitutional amendment requires monies to be deposited into both funds until the UCP Permanent Trust Fund balance equals the state's potential liability for all unclaimed property, then additional monies shall be deposited into the UCP Support Fund.

Proposed constitutional amendment authorizes the state treasurer to invest up to 50% of the monies in the UCP Permanent Trust Fund as provided by the legislature and authorizes the treasurer to contract for the management of the funds.

Proposed constitutional amendment requires the state treasurer to submit an annual report including the balance of the funds and the state's potential liability of unclaimed property to the legislature and governor.

Provides for submission of the proposed amendment to the voters at the statewide election to be held October 12, 2019.

Effective July 1, 2020.

(Adds Const. Art. VII, §28)

Summary of Amendments Adopted by House

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

1. Change "the state capital outlay revolving loan bank" to "the unclaimed property revolving loan commission".

The Committee Amendments Proposed by House Committee on Civil Law and Procedure to the engrossed bill:

1. Make a technical amendment to the ballot language.