

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1427

By: Representative Eaves

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING UNCLAIMED
PROPERTY; TO DECLARE AN EMERGENCY; AND FOR OTHER
PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING UNCLAIMED
PROPERTY; AND TO DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 18-28-212(b), concerning the public sale of abandoned property, is amended to read as follows:

(b)(1)(A) Securities listed on an established stock exchange ~~must~~ shall be sold at prices prevailing on the exchange at the time of sale.

(B) Other securities may be sold over the counter at prices prevailing at the time of sale or by ~~any~~ a reasonable method selected by the administrator.

(2) ~~If securities are sold by the administrator before the expiration of three (3) years after their delivery to the administrator, a person making a claim under this subchapter before the end of the three-year period is entitled to the proceeds of the sale of the securities or the market value of the securities at the time the claim is made, whichever is greater, plus dividends, interest, and other increments thereon up to the time the claim is made, less any deduction for expenses of sale. A person making a claim under this subchapter after the expiration of the three-year period is entitled to receive the securities delivered to the administrator by the holder, if they still remain in the custody of the administrator, or~~



~~the net proceeds received from sale, and is not entitled to receive any appreciation in the value of the property occurring after delivery to the administrator, except in a case of intentional misconduct or malfeasance by the administrator. The administrator may sell securities upon receipt of the securities from the holder.~~

(3)(A) A person making a claim under this subchapter is entitled to receive the:

(i) Securities delivered by the holder to the administrator if the securities still remain in the custody of the administrator; or

(ii) Proceeds received from the sale of the securities, less any fees and expenses incurred from the sale.

(B) A person may not maintain an action or bring a proceeding for any appreciation or depreciation in the value of the securities that may occur after delivery by the holder to the administrator against:

(i) The state;

(ii) The administrator;

(iii) The holder;

(iv) A securities transfer agent;

(v) An auctioneer; or

(vi) An agent acting for or on behalf of the holder or administrator.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that under the current provisions of the Unclaimed Property Act, § 18-28-201 et seq., the Auditor of State may not sell securities received from a holder within the first three (3) years of custody; that security management costs and fees are costly; and that liquidating the securities upon receipt would save the state money and enable the state to invest the proceeds for a greater financial return to the state. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor,

the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.