

ENROLLED SENATE
BILL NO. 571

By: Jolley of the Senate

and

Murphey of the House

An Act relating to the Uniform Unclaimed Property Act; amending 60 O.S. 2001, Section 674, as amended by Section 11, Chapter 224, O.S.L. 2003 (60 O.S. Supp. 2010, Section 674), which relates to disposition of unclaimed property by the State Treasurer; limiting claims for appreciation or depreciation of certain property sold by State Treasurer; amending Section 3, Chapter 446, O.S.L. 2005 (68 O.S. Supp. 2010, Section 2355.2), which relates to the Oklahoma Taxpayer Relief Revolving Fund; abolishing the Oklahoma Taxpayer Relief Revolving Fund; transferring monies to the Special Cash Fund; extinguishing liabilities; amending 62 O.S. 2001, Sections 89.7, as amended by Section 9, Chapter 241, O.S.L. 2010 and 89.6, as last amended by Section 8, Chapter 241, O.S.L. 2010 (62 O.S. Supp. 2010, Sections 89.7 and 89.6), which relate to investments by the State Treasurer; modifying date certain report must be submitted; authorizing the State Treasurer to purchase, sell, hold or otherwise manage certain investment transactions if directed by state agencies; limiting payment for investment services; amending 60 O.S. 2001, Section 667, as last amended by Section 4, Chapter 124, O.S.L. 2005 (60 O.S. Supp. 2010, Section 667), which relates to abandoned property from safe deposit boxes; providing certain exemption for liquidation of securities; and providing an effective date.

SUBJECT: State Treasurer

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 60 O.S. 2001, Section 674, as amended by Section 11, Chapter 224, O.S.L. 2003 (60 O.S. Supp. 2010, Section 674), is amended to read as follows:

Section 674. A. A person, excluding another state, claiming an interest in any property delivered to the State Treasurer may file a claim on a form prescribed by the State Treasurer and verified by the claimant. The date of filing of a claim shall be the date it is received by the State Treasurer with all supporting documentation from the claimant. Any information submitted by a claimant which is required to be submitted to the State Treasurer to establish a claim may be kept confidential by the State Treasurer if it contains personal financial information of the claimant, social security numbers, birth certificates or similar documents related to the parentage of an individual, or any other document which is confidential by statute if in the custody of another public agency or person.

B. The State Treasurer shall consider each claim within ninety (90) days after it is filed and give written notice to the claimant if the claim is denied in whole or in part. The notice may be given by mailing it to the last address, if any, stated in the claim as the address to which notices are to be sent. If no address for notices is stated in the claim, the notice may be mailed to the last address, if any, of the claimant as stated in the claim. No notice of denial need be given if the claim fails to state either the address to which notices are to be sent or the address of the claimant.

C. If a claim is allowed, the State Treasurer shall pay over or deliver to the claimant the property or the amount the State Treasurer actually received or the net proceeds if it has been sold by the State Treasurer, together with any additional amount required by Section 665 of this title. ~~If the claim is for property presumed abandoned under Section 655 of this title which was sold by the~~

State Treasurer within one (1) year after the date of delivery, the amount payable for that claim is the value of the property at the time the claim was made or the net proceeds of sale, whichever is greater, but no person shall have any claim under this section against the state, the holder, any transfer agent, registrar or other person acting for or on behalf of the state or a holder, for any appreciation or depreciation in the value of the property or any earnings that might otherwise accrue, after sale of the property by the State Treasurer.

SECTION 2. AMENDATORY Section 3, Chapter 446, O.S.L. 2005 (68 O.S. Supp. 2010, Section 2355.2), is amended to read as follows:

Section 2355.2 A. There is hereby created in the State Treasury a revolving fund for the State Treasurer to be designated the "Oklahoma Taxpayer Relief Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of the monies transferred to such fund pursuant to paragraph 2 of subsection A of Section ~~± 46.1~~ of ~~this act~~ Title 62 of the Oklahoma Statutes. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the State Treasurer for the purpose of providing payments to Oklahoma residents who have filed an income tax return pursuant to Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title for the preceding tax year, except for those residents who were inmates in the custody of the Department of Corrections, and for the purpose of administrative costs incurred by the State Treasurer in making payments provided by this section. The payments to taxpayers filing as married filing jointly, surviving spouse or head of household shall be equal to two times the payment to taxpayers filing as an individual or married filing separately. No taxpayer filing as an individual who claims zero personal exemptions shall receive a payment. During each year funds accrue pursuant to Section ~~± 46.1~~ of ~~this act~~ Title 62 of the Oklahoma Statutes, the Oklahoma Tax Commission shall provide the State Treasurer with information necessary for such payments to be issued. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

B. The State Treasurer shall promulgate any necessary rules in order to administer the provisions of this section.

C. The Oklahoma Taxpayer Relief Revolving Fund shall be abolished and all monies remaining in such fund transferred to the Special Cash Fund on June 30, 2012. Any liabilities payable from the Oklahoma Taxpayer Relief Revolving Fund shall be extinguished upon its abolishment and shall not be transferred to the Special Cash Fund. The Special Cash Fund refers to the fund created by Section 253 of Title 62 of the Oklahoma Statutes.

SECTION 3. AMENDATORY 62 O.S. 2001, Section 89.7, as amended by Section 9, Chapter 241, O.S.L. 2010 (62 O.S. Supp. 2010, Section 89.7), is amended to read as follows:

Section 89.7 A. The State Treasurer shall prepare monthly and annual investment performance reports of the State Treasurer's Office in the form and manner required by the Cash Management and Investment Oversight Commission after consultation with the State Treasurer which summarize recent market conditions, economic developments and anticipated investment conditions and the investment plan performance, including portfolio diversification and rates of return measured against the investment plan of the State Treasury. The annual investment performance report shall be submitted to the Commission and shall be made within ~~sixty (60)~~ ninety (90) calendar days after the end of the fiscal year. The monthly investment performance reports shall be submitted to the Executive Review Committee and shall be made within thirty (30) days after the end of the applicable month. The investment performance reports shall specify the investment strategies employed in the most recent reporting period and describe the investment portfolio of the state in terms of:

1. Securities;
2. Maturities;
3. Fund type;
4. Financial institutions from which securities were purchased, including the amounts and the city and state of location;

5. Investment return compared to budgetary expectations;
6. Average yield; and
7. Average life of the portfolio.

The investment performance reports shall also indicate any areas of concern which the State Treasurer has concerning the basic investment strategies being employed. The investment performance reports shall contain:

- a. combined and individual rates of return and a list of all losses by category of investment, over periods of time;
- b. the rate of return on deposits and all fees and expenses charged as to all depository financial institutions of the State Treasury and a specific review of the adequacy of the collateralization;
- c. any other information that the State Treasurer may include; and
- d. such other information that the Cash Management and Investment Oversight Commission created by Section 71.1 of this title may request and that the State Treasurer agrees to include in the investment performance reports.

B. To the extent that the State Treasurer should have reason to know, the State Treasurer shall also include in the investment performance reports a listing of all payments, fees, commissions, or other compensation received by any person, including but not limited to individuals, financial institutions, or investment companies or corporations, which have an investment agreement, contract, or other arrangement with the State Treasurer, or who receive any compensation as a result of a transaction involving the investment of state monies or funds or the purchase, sale, or trade of securities or bonds involving the Office of the State Treasurer. Said listings shall also include the social security or federal identification number of any person, including but not limited to individuals, financial institutions, or investment companies or

corporations, receiving payments, fees, commissions, or other compensation.

C. The annual investment performance report shall be written in simple and easily understood language containing:

- a. an analysis of the written investment plans developed by the Treasurer as required by law;
- b. a quantitative analysis of the performance of all depository financial institutions approved by the State Treasurer, with regard to monies deposited;
- c. the result of the analyses prepared pursuant to subparagraphs a and b of this paragraph compared with similar data for other states;
- d. recommendations on administrative and legislative changes which are necessary to improve the performance of the State Treasury in accordance with current standards for large public fund portfolio management; and
- e. a listing by object code of the expenses of the State Treasury as audited by the independent auditor provided by Section 89.10 of this title.

D. The State Treasurer shall distribute the investment performance reports to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the State Auditor and Inspector, the Attorney General, and members of the Cash Management and Investment Oversight Commission. Upon request, the State Treasurer shall make the annual investment performance report available to the members of the Legislature and the general public. The annual investment performance report shall also include an investment plan for the ensuing fiscal year.

E. The State Treasurer shall require all employees in the State Treasury to sign an anti-collusion affidavit. Execution of a false affidavit shall make such employees subject to disciplinary action, including but not limited to termination, criminal prosecution or both.

F. The State Treasurer shall require an anti-collusion affidavit from brokers or other persons offering investment services to the State Treasury. The State Treasurer shall be prohibited from employing or doing business with any brokers or persons offering investment services to the State Treasury who have not executed such an affidavit.

G. The Cash Management and Investment Oversight Commission shall certify that the State Treasurer has delivered to the Commission the monthly and annual investment performance reports and the annual financial report required by this section. If the Commission determines that these reports have not been delivered by the State Treasurer as required by law, the Commission shall notify in writing the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Attorney General, and the State Auditor and Inspector.

SECTION 4. AMENDATORY 62 O.S. 2001, Section 89.6, as last amended by Section 8, Chapter 241, O.S.L. 2010 (62 O.S. Supp. 2010, Section 89.6), is amended to read as follows:

Section 89.6 A. The State Treasurer may charge and collect the following fees:

1. For any returned check or electronic debit that is returned, a fee of Twenty-five Dollars (\$25.00);
2. For handling and processing rejected warrant items processed by the State Treasurer, a fee of One Dollar (\$1.00) per item;
3. For handling a stop-payment item processed by the State Treasurer on behalf of a state agency, a fee of Fifteen Dollars (\$15.00) for each item up to a maximum fee of Three Hundred Twenty-five Dollars (\$325.00) per day; and
4. Beginning July 1, 2010, for expenses incurred in managing the state agency blended portfolio, an annual fee of not more than two and one-half (2 1/2) basis points which may be charged monthly against the average daily balance of the portfolio; provided, the fees shall be collected at the time earnings are deposited to participating state agencies.

B. Beginning July 1, 2012, a state agency may direct the State Treasurer to purchase, sell, hold or otherwise manage investment transactions on its behalf outside of the blended portfolio, provided that the agency shall not pay more for investment services than the rate established by the State Treasurer which shall not exceed the amount necessary for recovering the cost to the State Treasurer's office for providing such services.

SECTION 5. AMENDATORY 60 O.S. 2001, Section 667, as last amended by Section 4, Chapter 124, O.S.L. 2005 (60 O.S. Supp. 2010, Section 667), is amended to read as follows:

Section 667. A. Except as provided in subsections B and C of this section, when the State Treasurer determines it to be economically feasible, the Treasurer shall sell abandoned property from safe deposit boxes to the highest bidder at public sale in whatever city in the state affords in the judgment of the State Treasurer the most favorable market for the property involved. The State Treasurer may decline the highest bid and reoffer the property for sale if in the judgment of the State Treasurer the bid is insufficient. If in the judgment of the State Treasurer the probable cost of sale exceeds the value of the property, it need not be offered for sale. Any sale held under this section must be preceded by a single publication of notice, at least three (3) weeks in advance of sale in a legal newspaper of general circulation in the county where the property is to be sold, the county of residence of the holder and the county of the last-known address of the owner.

B. Securities listed on an established stock exchange must be sold at prices prevailing at the time of sale on the exchange. Other securities may be sold over the counter at prices prevailing at the time of sale or by another method the State Treasurer considers advisable. The liquidation of securities shall be exempt from the procedures set forth in subsection A of this section.

C. Unless the State Treasurer considers it to be in the best interest of the state to do otherwise, all securities, other than those presumed abandoned under Section 655 of this title, delivered to the State Treasurer must be held for at least one (1) year before the State Treasurer may sell them.

D. The purchaser at any sale conducted by the State Treasurer pursuant to the Uniform Unclaimed Property Act takes the property, free of all claims of the owner or prior holder thereof and of all persons claiming through or under them. The State Treasurer shall execute all documents necessary to complete the transfer of ownership.

SECTION 6. This act shall become effective November 1, 2011.

Passed the Senate the 11th day of May, 2011.

Presiding Officer of the Senate

Passed the House of Representatives the 26th day of April, 2011.

Presiding Officer of the House
of Representatives