

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

# A Bill

HOUSE BILL 1427

5 By: Representative Eaves  
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## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING UNCLAIMED  
9 PROPERTY; TO DECLARE AN EMERGENCY; AND FOR OTHER  
10 PURPOSES.  
11

## Subtitle

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14 TO AMEND THE LAW CONCERNING UNCLAIMED  
15 PROPERTY; AND TO DECLARE AN EMERGENCY.  
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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20 SECTION 1. Arkansas Code § 18-28-212(b), concerning the public sale of  
21 abandoned property, is amended to read as follows:

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

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

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



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

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

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

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

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

17 (i) The state;

18 (ii) The administrator;

19 (iii) The holder;

20 (iv) A securities transfer agent;

21 (v) An auctioneer; or

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

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

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

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

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

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

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