

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

A Bill

HOUSE BILL 1142

5 By: Representative Collins
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE PAYMENT OF A
9 SECURITY PRESUMED TO BE ABANDONED PROPERTY; TO
10 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
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Subtitle

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13 AN ACT TO AMEND THE LAW CONCERNING THE
14 PAYMENT OF A SECURITY PRESUMED TO BE
15 ABANDONED PROPERTY; AND TO DECLARE AN
16 EMERGENCY.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 18-28-202(a)(3), concerning presumptions
23 of abandonment, is amended to read as follows:

24 (3) Stock or other equity interest in a business association or
25 financial organization, including a security entitlement under ~~§ 4-8-101 et~~
26 ~~seq. (UCC — Investment Securities)~~ the Uniform Commercial Code — Investment
27 Securities, § 4-8-101 et seq., ~~five (5) years~~ seven (7) years after the
28 earlier of:

29 (A) The date of the most recent dividend, stock split, or
30 other distribution unclaimed by the apparent owner; ~~or~~

31 (B) The date of the second mailing of a statement of
32 account or other notification or communication that was returned as
33 undeliverable or after the holder discontinued mailings, notifications, or
34 communications to the apparent owner; or

35 (C) The date that the security holder or payee is presumed
36 lost or unresponsive under 17 C.F.R. § 240.17Ad-17, as it existed on January



1 23, 2013;

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 3 SECTION 2. Arkansas Code § 18-28-208(b), concerning the payment or
 4 delivery of abandoned property, is amended to read as follows:

5 (b)(1) If the property reported to the administrator is a security or
 6 security entitlement under ~~§ 4-8-101 et seq. (UCC — Investment Securities)~~
 7 the Uniform Commercial Code — Investment Securities, § 4-8-101 et seq., the
 8 administrator is an appropriate person to make an indorsement, instruction,
 9 or entitlement order on behalf of the apparent owner to invoke the duty of
 10 the issuer or its transfer agent or the securities intermediary to transfer
 11 or dispose of the security or the security entitlement in accordance with §
 12 ~~4-8-101 et seq. (UCC — Investment Securities)~~ the Uniform Commercial Code —
 13 Investment Securities, § 4-8-101 et seq.

14 (2) The holder of a security or security entitlement shall:

15 (A) Liquidate, redeem, or sell the security; and

16 (B) Remit the proceeds acquired under subdivision

17 (b)(2)(A) of this section to the administrator according to the procedures
 18 prescribed by this subchapter.

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 20 SECTION 3. Arkansas Code § 18-28-208(d), concerning the payment or
 21 delivery of abandoned property, is amended to read as follows:

22 (d) An issuer, the holder, and any transfer agent or other person
 23 acting ~~pursuant to~~ under the instructions of and on behalf of an issuer or
 24 holder is not liable to the apparent owner and ~~must~~ shall be indemnified
 25 against claims of any person in accordance with § 18-28-210 if he or she
 26 complies with the:

27 (1) Requirements of this section; and

28 (2) Federal requirements contained in 17 C.F.R. § 240.17Ad-17,
 29 as it existed on January 23, 2013, if the property presumed abandoned is a
 30 security or security entitlement.

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 32 SECTION 4. DO NOT CODIFY. The administrator shall liquidate a security
 33 or security entitlement as required by § 18-28-212 that is currently in the
 34 possession of the administrator within ninety (90) days from the effective
 35 date of this act.

1 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
2 General Assembly of the State of Arkansas that under the current provisions
3 of the Unclaimed Property Act, § 18-28-201 et seq., a security is required to
4 be re-registered or directly registered in the name of the State of Arkansas
5 for the state to manage the security; that security management costs and fees
6 are costly; and that this act is immediately necessary to streamline the
7 payment of abandoned property to the state. Therefore, an emergency is
8 declared to exist, and this act being immediately necessary for the
9 preservation of the public peace, health, and safety shall become effective
10 on:

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

12 (2) If the bill is neither approved nor vetoed by the Governor,
13 the expiration of the period of time during which the Governor may veto the
14 bill; or

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

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