Chapter 184

(Senate Bill 155)

An Act to reduce the amount of net receipts of unclaimed property deposited into the general fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 43-41B-24 be AMENDED:

43-41B-24. Except as otherwise provided by this section, the administrator shall promptly deposit in the general fund ~~of this state~~ all moneys received under this chapter, including the proceeds from the sale of abandoned property under § 43-41B-23, not to exceed the general fund contribution limit, as defined in section 3 of this Act, in a fiscal year.

The administrator shall ~~retain~~ maintain in a separate ~~trust~~ unclaimed property operating fund an amount not more than five hundred thousand dollars from which the administrator must make prompt payment of claims duly allowed. Before making the deposit, the administrator must record the name and last known address of each person appearing from the holders' reports to be entitled to the property and the name and last known address of each insured person or annuitant and beneficiary, and with respect to each policy or contract listed in the report of an insurance company, its number, the name of the company, and the amount due. The record must be available for public inspection at all reasonable business hours.

Section 2. That § 43-41B-24.1 be AMENDED:

43-41B-24.1. Money in the unclaimed property ~~trust~~ operating fund for the payment of claims and costs incurred in examining records of holders of property and in collecting the property from those holders is continuously appropriated. Expenditures for claims and costs incurred in examining records of holders of property and in collecting the property from those holders must be paid upon warrants drawn by the state auditor pursuant to vouchers authorized by the state treasurer. All moneys paid out by the state treasurer for claims and costs incurred in examining records of holders of property and in collecting the property from those holders under chapter 43-41B must be set forth in an informational budget as described in § 4-7-7.2 and be annually reviewed by the Legislature.

Section 3. That a NEW SECTION be added to chapter 43-41B:

For purposes of § 43-41B-24, "general fund contribution limit" means an amount equal to the cost of operational expenses for the Unclaimed Property Division in each of the following fiscal years plus:

(1) For fiscal year 2026, $61,384,827;

(2) For fiscal year 2027, $58,000,000;

(3) For fiscal year 2028, $54,000,000;

(4) For fiscal year 2029, $50,000,000;

(5) For fiscal year 2030, $46,000,000;

(6) For fiscal year 2031, $42,000,000;

(7) For fiscal year 2032, $38,000,000;

(8) For fiscal year 2033, $34,000,000;

(9) For fiscal year 2034, $30,000,000; and

(10) For fiscal year 2035 and each fiscal year thereafter, $25,000,000.

Section 4. That a NEW SECTION be added to chapter 43-41B:

There is created in the state treasury the trust fund for unclaimed property. The fund consists of any net receipts from unclaimed property that exceed the maximum deposit requirements of section 3 of this Act.

The state treasurer shall administer the fund. The purpose of the fund is to provide for the return of unclaimed property, provide for the payment of audit expenses, and deposit into the general fund the distribution amount, in accordance with section 5 of this Act. Distribution amounts from the fund must be budgeted through the general appropriation bill as provided for in section 5 of this Act or expended by special appropriation. Moneys comprising the principal amount in the trust fund for unclaimed property may not be appropriated by the general appropriation bill or by special appropriation.

Section 5. That a NEW SECTION be added to chapter 43-41B:

Beginning in fiscal year 2026 and each fiscal year thereafter, the state treasurer shall, after paying from the unclaimed property operating fund all claims and any administrative costs associated with the sale of unclaimed property, deposit into the general fund the net receipts from unclaimed property, up to the general fund contribution limit, as established in section 3 of this Act.

Any net receipts from unclaimed property that exceed the general fund contribution limit as defined in section 3 of this Act, must be deposited into the trust fund for unclaimed property.

The state investment officer shall calculate an amount equal to four percent of the market value of the trust fund for unclaimed property, without invading principal, as eligible for distribution to the general fund. Until fiscal year 2031, the distribution must be based on the market value as of each December thirty-first, beginning with the market value as of December 31, 2025. Beginning with the distribution in fiscal year 2031, the market value must be determined by adding the market value of the trust fund at the end of the sixteen most recent calendar quarters as of December thirty-first, and dividing the sum by sixteen. Upon notice of the amount by the state investment officer, the state treasurer shall transfer the distribution amount from the trust fund to the general fund as soon as practicable after July first of the next fiscal year.

Signed March 12, 2025