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OFFICE OF THE ATTORNEY GENERAL
JUSTICE BUILDING, LITTLE ROCK 72201

May 28, 1985

(501) 371-2007

OPINION NO. 85-121

Honorable Julia Hughes Jones
Auditor of State
State Capitol Building
Little Rock, AR 72201

Dear Ms. Jones:

This is in response to your request for an opinion on the following question:

Does Section 19 of Act 780 of 1985 authorize the Auditor of the State of Arkansas to enter a contract, with a foreign clearinghouse and attorney located outside the state, for the location of and collection of unclaimed property located outside the State of Arkansas, but belonging to citizens of the State of Arkansas?

Section 19 of the Act amends Section 2 of Act 850 of 1981 to read as follows:

The Auditor may request that the administrator of another state or any other person bringing an action in the name of the Auditor in any other state.

This state shall pay all expenses including attorneys' fees in any action under this subsection. The Auditor may agree to pay the person bringing the action an attorney's fee which is based in whole or in part on a percentage of the value of any property recovered in the action. Any expenses paid pursuant to this subsection may not be deducted from the amount that is subject to the claim by the owner in accordance with this act.

The language of Section 19 of Act 780 authorizes the Auditor of the State of Arkansas to enter a contract with a foreign clearinghouse and/or attorney. Such authorization is necessary to enable the Auditor of State to fully discharge the financial obligations of the State of Arkansas concerning the Uniform Unclaimed Property Act. Furthermore, it is of extreme importance that escheat to the State of abandoned property is handled efficiently and expediently. Allowing the Auditor to contract with foreign attorneys will help accomplish this, particularly in cases of life insurance proceeds held in other states.

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The foregoing opinion, which I hereby approve, was
prepared by E. Jeffery Story.

Sincerely,


STEVE CLARK
Attorney General

SC/EJS/pw