

July 10, 2006

The Honorable Glenn Koepp
Secretary of the Senate
State Capitol
Baton Rouge, Louisiana 70804

Re: Senate Bill No. 215 by Senator Ellington
UNCLAIMED PROPERTY: Reduces the time period under which the travelers checks
are presumed abandoned unclaimed property.

Dear Mr. Koepp:

Senate Bill No. 215 cuts from 15 to five years the period of time after purchase of a travelers check it is presumed abandoned and its value is required to be transferred by the issuing company to the unclaimed property program in the Department of the Treasury. The bill would affect not only such checks issued after it is effective on August 15 but also would affect all previously issued checks older than five years.

I am informed the issuing companies do not charge a fee for the purchase of travelers checks but recover their costs and otherwise benefit from the float period which occurs between the issuance of the check and its presentment or cashing. Louisiana financial institutions provide such checks to consumers and often assess a fee for this service.

Since the passage of Senate Bill No. 215 my office has received many calls expressing various concerns. Issuing companies have advised that without a sufficiently long float period, they cannot recover their costs and they will not have sufficient incentive to continue issuing travelers checks in Louisiana. They say five years, a 66% reduction, is an insufficient float period. Louisiana banking interests have expressed their concern that they could be unable to continue providing to Louisiana consumers an important and traditional service. Louisiana tourism interests have expressed concern that those visiting our state could be unable to purchase such checks while here. Members of the Louisiana economic development community have expressed concern that once again Louisiana would stand alone in this country as all other states have a 15 year period and this state could be the only state where travelers checks might not be available.

All of these possibilities cause me concern and indicate that the change proposed by the bill should be further considered to ensure that the expressed fears do not become reality.

Mr. Koepp
Page Two
July 10, 2006

For these reasons, I am vetoing Senate Bill No. 215 and returning it to the Senate.

Sincerely,

Kathleen Babineaux Blanco
Governor

jw