

AMENDED IN SENATE MAY 26, 2015
AMENDED IN ASSEMBLY MARCH 17, 2015
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 355

Introduced by Assembly Member Eduardo Garcia

February 17, 2015

An act to amend ~~Section 1530~~ *Sections 1531 and 1563* of the Code of Civil Procedure, relating to unclaimed property.

LEGISLATIVE COUNSEL'S DIGEST

AB 355, as amended, Eduardo Garcia. Unclaimed property: safe deposit boxes.

Existing law, the Unclaimed Property Law, governs the disposition of unclaimed property, including the escheat of certain property to the state. Existing law provides for the escheat to the state of the contents of, or proceeds of sale of the contents of, any safe deposit box or any other safekeeping repository held in the state by a business association, as specified. In cases where the contents of a safe deposit box or other safekeeping repository escheat to the state, existing law requires the business association to report to the Controller certain information regarding the property and owner, including a description of the property and the place where it is held and may be inspected by the Controller. *Within 165 days after the final date for filing the report, existing law requires the Controller to mail a notice to each person having an address listed in the report who appears to be entitled to property escheated, as specified.*

This bill would additionally ~~require the business association to include in its report to the Controller any name attached to~~ *authorize the*

Controller to mail a separate notice to an apparent owner of a United States savings bond, war bond, or military award inside a safe deposit box or other safekeeping repository that whose name is shown on or can be associated with the contents of a safe deposit box or other safekeeping repository and is different from the name of the reported owner.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. *Section 1531 of the Code of Civil Procedure is*
2 *amended to read:*

3 1531. (a) Within one year after payment or delivery of
4 escheated property as required by Section 1532, the Controller
5 shall cause a notice to be published, in a newspaper of general
6 circulation, which the Controller determines is most likely to give
7 notice to the apparent owner of the property.

8 (b) Each published notice shall be entitled “notice to owners of
9 unclaimed property.”

10 (c) Each published notice shall also contain a statement that
11 information concerning the amount or description of the property
12 may be obtained by any persons possessing an interest in the
13 property by addressing any inquiry to the Controller.

14 (d) (1) Within 165 days after the final date for filing the report
15 required by Section 1530, the Controller shall mail a notice to each
16 person having an address listed in the report who appears to be
17 entitled to property of the value of fifty dollars (\$50) or more
18 escheated under this chapter. If the report filed pursuant to Section
19 1530 includes a social security number, the Controller shall request
20 the Franchise Tax Board to provide a current address for the
21 apparent owner on the basis of that number. The Controller shall
22 mail the notice to the apparent owner for whom a current address
23 is obtained if the address is different from the address previously
24 reported to the Controller. If the Franchise Tax Board does not
25 provide an address or a different address, then the Controller shall
26 mail the notice to the address listed in the report required by
27 Section 1530.

28 (2) *The Controller may mail a separate notice to an apparent*
29 *owner of a United States savings bond, war bond, or military*

1 *award whose name is shown on or can be associated with the*
2 *contents of a safe deposit box or other safekeeping repository and*
3 *is different from the reported owner of the safe deposit box or other*
4 *safekeeping repository.*

5 (e) The mailed notice shall contain all of the following:

6 (1) A statement that, according to a report filed with the
7 Controller, property is being held to which the addressee appears
8 entitled.

9 (2) The name and address of the person holding the property
10 and any necessary information regarding changes of name and
11 address of the holder.

12 (3) A statement that, if satisfactory proof of claim is not
13 presented by the owner to the holder by the date specified in the
14 notice, the property will be placed in the custody of the Controller
15 and may be sold or destroyed pursuant to this chapter, and all
16 further claims concerning the property or, if sold, the net proceeds
17 of its sale, must be directed to the Controller.

18 (f) This section is intended to inform owners about the possible
19 existence of unclaimed property identified pursuant to this chapter.

20 *SEC. 2. Section 1563 of the Code of Civil Procedure is*
21 *amended to read:*

22 1563. (a) Except as provided in subdivisions (b) and (c), all
23 escheated property delivered to the Controller under this chapter
24 shall be sold by the Controller to the highest bidder at public sale
25 in whatever city in the state affords in his or her judgment the most
26 favorable market for the property involved, or the Controller may
27 conduct the sale by electronic media, including, but not limited
28 to, the Internet, if in his or her judgment it is cost effective to
29 conduct the sale of the property involved in that manner. However,
30 no sale shall be made pursuant to this subdivision until 18 months
31 after the final date for filing the report required by Section 1530.
32 The Controller may decline the highest bid and reoffer the property
33 for sale if he or she considers the price bid insufficient. The
34 Controller need not offer any property for sale if, in his or her
35 opinion, the probable cost of sale exceeds the value of the property.
36 Any sale of escheated property held under this section shall be
37 preceded by a single publication of notice thereof, at least one
38 week in advance of sale, in an English language newspaper of
39 general circulation in the county where the property is to be sold.

1 (b) Securities listed on an established stock exchange shall be
2 sold at the prevailing prices on that exchange. Other securities may
3 be sold over the counter at prevailing prices or, with prior approval
4 of the California Victim Compensation and Government Claims
5 Board, by any other method that the Controller may determine to
6 be advisable. These securities shall be sold by the Controller no
7 sooner than 18 months, but no later than 20 months, after the final
8 date for filing the report required by Section 1530. If securities
9 delivered to the Controller by a holder of the securities remain in
10 the custody of the Controller, a person making a valid claim for
11 those securities under this chapter shall be entitled to receive the
12 securities from the Controller. If the securities have been sold, the
13 person shall be entitled to receive the net proceeds received by the
14 Controller from the sale of the securities. United States government
15 savings bonds and United States war bonds shall be presented to
16 the United States for payment. Subdivision (a) does not apply to
17 the property described in this subdivision.

18 (c) (1) All escheated property consisting of military awards,
19 decorations, equipment, artifacts, memorabilia, documents,
20 photographs, films, literature, and any other item relating to the
21 military history of California and Californians that is delivered to
22 the Controller is exempt from subdivision (a) and ~~shall~~ *may, at the*
23 *discretion of the Controller,* be held in trust for the Controller at
24 the California State Military Museum and Resource ~~Center~~. *Center,*
25 *or successor entity.* All escheated property held in trust pursuant
26 to this subdivision is subject to the applicable regulations of the
27 United States Army governing Army museum activities as
28 described in Section 179 of the Military and Veterans Code. Any
29 person claiming an interest in the escheated property may file a
30 claim to the property pursuant to Article 4 (commencing with
31 Section 1540).

32 (2) The California State Military Museum and Resource ~~Center~~
33 *Center, or successor entity,* shall be responsible for the costs of
34 storage and maintenance of escheated property delivered by the
35 Controller under this subdivision.

36 (d) The purchaser at any sale conducted by the Controller
37 pursuant to this chapter shall receive title to the property purchased,
38 free from all claims of the owner or prior holder thereof and of all
39 persons claiming through or under them. The Controller shall
40 execute all documents necessary to complete the transfer of title.

1 SECTION 1. ~~Section 1530 of the Code of Civil Procedure is~~
2 ~~amended to read:~~

3 ~~1530. (a) Every person holding funds or other property~~
4 ~~escheated to the state under this chapter shall report to the~~
5 ~~Controller as provided in this section.~~

6 ~~(b) The report shall be on a form prescribed or approved by the~~
7 ~~Controller and shall include:~~

8 ~~(1) Except with respect to traveler's checks and money orders,~~
9 ~~the name, if known, and last known address, if any, of each person~~
10 ~~appearing from the records of the holder to be the owner of any~~
11 ~~property of value of at least fifty dollars (\$50) escheated under~~
12 ~~this chapter. This paragraph shall become inoperative on July 1,~~
13 ~~2014.~~

14 ~~(2) Except with respect to traveler's checks and money orders,~~
15 ~~the name, if known, and last known address, if any, of each person~~
16 ~~appearing from the records of the holder to be the owner of any~~
17 ~~property of value of at least twenty-five dollars (\$25) escheated~~
18 ~~under this chapter. This paragraph shall become operative on July~~
19 ~~1, 2014.~~

20 ~~(3) In the case of escheated funds of life insurance corporations,~~
21 ~~the full name of the insured or annuitant, and his or her last known~~
22 ~~address, according to the life insurance corporation's records.~~

23 ~~(4) In the case of the contents of a safe deposit box or other~~
24 ~~safekeeping repository or in the case of other tangible property, a~~
25 ~~description of the property, including any name attached to a~~
26 ~~United States savings bond or military award inside the safe deposit~~
27 ~~box or other safekeeping repository that is different from the name~~
28 ~~of the owner, and the place where it is held and may be inspected~~
29 ~~by the Controller. The report shall set forth any amounts owing to~~
30 ~~the holder for unpaid rent or storage charges and for the cost of~~
31 ~~opening the safe deposit box or other safekeeping repository, if~~
32 ~~any, in which the property was contained.~~

33 ~~(5) The nature and identifying number, if any, or description of~~
34 ~~any intangible property and the amount appearing from the records~~
35 ~~to be due, except that items of value under twenty-five dollars~~
36 ~~(\$25) each may be reported in aggregate.~~

37 ~~(6) Except for any property reported in the aggregate, the date~~
38 ~~when the property became payable, demandable, or returnable,~~
39 ~~and the date of the last transaction with the owner with respect to~~
40 ~~the property.~~

1 ~~(7) Other information which the Controller prescribes by rule~~
2 ~~as necessary for the administration of this chapter.~~
3 ~~(e) If the holder is a successor to other persons who previously~~
4 ~~held the property for the owner, or if the holder has changed his~~
5 ~~or her name while holding the property, he or she shall file with~~
6 ~~his or her report all prior known names and addresses of each~~
7 ~~holder of the property.~~
8 ~~(d) The report shall be filed before November 1 of each year as~~
9 ~~of June 30 or fiscal yearend next preceding, but the report of life~~
10 ~~insurance corporations, and the report of all insurance corporation~~
11 ~~demutualization proceeds subject to Section 1515.5, shall be filed~~
12 ~~before May 1 of each year as of December 31 next preceding. The~~
13 ~~initial report for property subject to Section 1515.5 shall be filed~~
14 ~~on or before May 1, 2004, with respect to conditions in effect on~~
15 ~~December 31, 2003, and all property shall be determined to be~~
16 ~~reportable under Section 1515.5 as if that section were in effect~~
17 ~~on the date of the insurance company demutualization or related~~
18 ~~reorganization. The Controller may postpone the reporting date~~
19 ~~upon his or her own motion or upon written request by any person~~
20 ~~required to file a report.~~
21 ~~(e) The report, if made by an individual, shall be verified by the~~
22 ~~individual; if made by a partnership, by a partner; if made by an~~
23 ~~unincorporated association or private corporation, by an officer;~~
24 ~~and if made by a public corporation, by its chief fiscal officer or~~
25 ~~other employee authorized by the holder.~~