

ASSEMBLY BILL

No. 2438

Introduced by Assembly Member Huffman

February 24, 2012

An act to amend Section 1564 of the Code of Civil Procedure, relating to unclaimed property.

LEGISLATIVE COUNSEL'S DIGEST

AB 2438, as introduced, Huffman. Unclaimed property.

Under the Unclaimed Property Law, all escheated property delivered to the Controller is required to be sold by the Controller to the highest bidder at public sale, as specified. All money received by the state by escheat under the law, including proceeds from the sale of escheated property, is required to be deposited in the Abandoned Property Account of the Unclaimed Property Fund, which is continuously appropriated to the Controller for expenditure in carrying out and enforcing the Unclaimed Property Law, including the payment of claims allowed by the Controller under the law, the refund of amounts deposited in error to the fund, and the payment of costs incurred by the Controller for the repair, maintenance, and upkeep of property held in the name of an account in the fund.

This bill would make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.

State-mandated local program: no.

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

1 SECTION 1. Section 1564 of the Code of Civil Procedure is
2 amended to read:

3 1564. (a) All money received under this chapter, including
4 the proceeds from the sale of property under Section 1563, shall
5 be deposited in the Unclaimed Property Fund in an account titled
6 “Abandoned Property.”

7 (b) Notwithstanding Section 13340 of the Government Code,
8 all money in the Abandoned Property Account in the Unclaimed
9 Property Fund is hereby continuously appropriated to the
10 Controller, without regard to fiscal years, for expenditure in
11 accordance with law in carrying out and enforcing the provisions
12 of this chapter, including, but not limited to, the following
13 purposes:

14 (1) For payment of claims allowed by the Controller under the
15 provisions of this chapter.

16 (2) For refund, to the person making ~~such~~ *the* deposit, of
17 amounts, including overpayments, deposited in error in ~~such~~ *the*
18 fund.

19 (3) For payment of the cost of appraisals incurred by the
20 Controller covering property held in the name of an account in
21 ~~such~~ *the* fund.

22 (4) For payment of the cost incurred by the Controller for the
23 purchase of lost instrument indemnity bonds, or for payment to
24 the person entitled ~~thereto~~ *to those bonds*, for any unpaid lawful
25 charges or costs ~~which~~ *that* arose from holding any specific
26 property or any specific funds ~~which~~ *that* were delivered or paid
27 to the Controller, or ~~which~~ *that* arose from complying with this
28 chapter with respect to ~~such~~ *that* property or funds.

29 (5) For payment of amounts required to be paid by the state as
30 trustee, bailee, or successor in interest to the preceding owner.

31 (6) For payment of costs incurred by the Controller for the
32 repair, maintenance, and upkeep of property held in the name of
33 an account in ~~such~~ *the* fund.

34 (7) For payment of costs of official advertising in connection
35 with the sale of property held in the name of an account in such
36 fund.

37 (8) For transfer to the General Fund as provided in subdivision
38 (c).

1 (9) For transfer to the Inheritance Tax Fund of the amount of
2 any inheritance taxes determined to be due and payable to the state
3 by any claimant with respect to any property claimed by him or
4 her under ~~the provisions of this chapter.~~

5 (c) At the end of each month, or more often if he or she deems
6 it advisable, the Controller shall transfer all money in the
7 Abandoned Property Account in excess of fifty thousand dollars
8 (\$50,000) to the General Fund. Before making this transfer, the
9 Controller shall record the name and last known address of each
10 person appearing from the holders' report to be entitled to the
11 escheated property and the name and last known address of each
12 insured person or annuitant, and with respect to each policy or
13 contract listed in the report of a life insurance corporation, its
14 number, and the name of the corporation. The record shall be
15 available for public inspection at all reasonable business hours.

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