

AMENDED IN SENATE JUNE 16, 2014

AMENDED IN ASSEMBLY APRIL 8, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1712

Introduced by Assembly Member Gomez

February 13, 2014

An act to amend Section 1540 of the Code of Civil Procedure, relating to unclaimed property.

LEGISLATIVE COUNSEL'S DIGEST

AB 1712, as amended, Gomez. Unclaimed property.

Existing law, the Unclaimed Property Law, authorizes the Controller to administer property that has escheated to the state and sets forth procedures whereby a person may file a claim to the property or to the net proceeds from its sale. Existing law specifies that only a person who claims to have been an owner of the property, as defined, may file a claim with the Controller. Existing law defines an "owner" as the person who had legal right to the property prior to its escheat, his or her heirs or estate representative, his or her guardian or conservator, or a public administrator, as specified.

This bill would revise the definition of owner to also include a nonprofit civic, charitable, or educational organization that granted a charter, sponsorship, or approval for the existence of the organization that had the legal right to the property prior to its escheat but that has dissolved or is no longer in existence, if the charter, sponsorship, approval, organization bylaws, or other governing documents provide that *unclaimed or surplus funds or property may be turned over shall*

be conveyed to the granting ~~organization~~ organization upon dissolution or cessation to exist as a distinct legal entity.

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

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

1 SECTION 1. Section 1540 of the Code of Civil Procedure is
2 amended to read:

3 1540. (a) Any person, excluding another state, who claims to
4 have been the owner, as defined in subdivision (d), of property
5 paid or delivered to the Controller under this chapter may file a
6 claim to the property or to the net proceeds from its sale. The claim
7 shall be on a form prescribed by the Controller and shall be verified
8 by the claimant.

9 (b) The Controller shall consider each claim within 180 days
10 after it is filed to determine if the claimant is the owner, as defined
11 in subdivision (d), and may hold a hearing and receive evidence.
12 The Controller shall give written notice to the claimant if he or
13 she denies the claim in whole or in part. The notice may be given
14 by mailing it to the address, if any, stated in the claim as the address
15 to which notices are to be sent. If no address is stated in the claim,
16 the notice may be mailed to the address, if any, of the claimant as
17 stated in the claim. A notice of denial need not be given if the
18 claim fails to state either an address to which notices are to be sent
19 or an address of the claimant.

20 (c) Interest shall not be payable on any claim paid under this
21 chapter.

22 (d) Notwithstanding subdivision (g) of Section 1501, for
23 purposes of filing a claim pursuant to this section, “owner” means
24 the person who had legal right to the property prior to its escheat,
25 his or her heirs or estate representative, his or her guardian or
26 conservator, or a public administrator acting pursuant to the
27 authority granted in Sections 7660 and 7661 of the Probate Code.
28 An “owner” also means a nonprofit civic, charitable, or educational
29 organization that granted a charter, sponsorship, or approval for
30 the existence of the organization that had the legal right to the
31 property prior to its escheat but that has dissolved or is no longer
32 in existence, if the charter, sponsorship, approval, organization
33 bylaws, or other governing documents provide that *unclaimed or*

1 surplus funds or property may be turned over *shall be conveyed*
2 to the granting organization. *organization upon dissolution or*
3 *cessation to exist as a distinct legal entity.* Only an owner, as
4 defined in this subdivision, may file a claim with the Controller
5 pursuant to this article.

6 (e) Following a public hearing, the Controller shall adopt
7 guidelines and forms that shall provide specific instructions to
8 assist owners in filing claims pursuant to this article.

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