

AMENDED IN SENATE JUNE 23, 2015

AMENDED IN SENATE MAY 26, 2015

AMENDED IN ASSEMBLY MARCH 17, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 355**

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**Introduced by Assembly Member Eduardo Garcia**

February 17, 2015

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An act to amend ~~Sections 1531 and~~ *Section 1563* of, *and to add Section 1531.6 to*, 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 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 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: 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 award~~

1 ~~whose name is shown on or can be associated with the contents~~  
2 ~~of a safe deposit box or other safekeeping repository and is different~~  
3 ~~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 *SECTION 1. Section 1531.6 is added to the Code of Civil*  
21 *Procedure, to read:*

22 *1531.6. (a) In addition to the notices required pursuant to this*  
23 *chapter, the Controller may mail a separate notice to an apparent*  
24 *owner of a United States savings bond, war bond, or military*  
25 *award whose name is shown on or can be associated with the*  
26 *contents of a safe deposit box or other safekeeping repository and*  
27 *is different from the reported owner of the safe deposit box or other*  
28 *safekeeping repository.*

29 *(b) A notice sent pursuant to this section shall not contain a*  
30 *photograph or likeness of an elected official.*

31 *(c) (1) Notwithstanding any other law, upon request of the*  
32 *Controller, a state or local governmental agency may furnish to*  
33 *the Controller from its records the address or other identification*  
34 *or location information that could reasonably be used to locate*  
35 *an owner of unclaimed property.*

36 *(2) If the address or other identification or location information*  
37 *requested by the Controller is deemed confidential under any law*  
38 *or regulation of the state, it shall nevertheless be furnished to the*  
39 *Controller. However, neither the Controller nor any officer, agent,*  
40 *or employee of the Controller shall use or disclose that*

1 *information, except as may be necessary in attempting to locate*  
2 *the owner of unclaimed property.*

3 *(3) This subdivision shall not be construed to require disclosure*  
4 *of information in violation of federal law.*

5 *(4) If a fee or charge is customarily made for the information*  
6 *requested by the Controller, the Controller shall pay the customary*  
7 *fee or charge.*

8 *(d) Costs for administering this section shall be subject to the*  
9 *level of appropriation in the annual Budget Act.*

10 SEC. 2. Section 1563 of the Code of Civil Procedure is  
11 amended to read:

12 1563. (a) Except as provided in subdivisions (b) and (c), all  
13 escheated property delivered to the Controller under this chapter  
14 shall be sold by the Controller to the highest bidder at public sale  
15 in whatever city in the state affords in his or her judgment the most  
16 favorable market for the property involved, or the Controller may  
17 conduct the sale by electronic media, including, but not limited  
18 to, the Internet, if in his or her judgment it is cost effective to  
19 conduct the sale of the property involved in that manner. However,  
20 no sale shall be made pursuant to this subdivision until 18 months  
21 after the final date for filing the report required by Section 1530.  
22 The Controller may decline the highest bid and reoffer the property  
23 for sale if he or she considers the price bid insufficient. The  
24 Controller need not offer any property for sale if, in his or her  
25 opinion, the probable cost of sale exceeds the value of the property.  
26 Any sale of escheated property held under this section shall be  
27 preceded by a single publication of notice thereof, at least one  
28 week in advance of sale, in an English language newspaper of  
29 general circulation in the county where the property is to be sold.

30 (b) Securities listed on an established stock exchange shall be  
31 sold at the prevailing prices on that exchange. Other securities may  
32 be sold over the counter at prevailing prices or, with prior approval  
33 of the California Victim Compensation and Government Claims  
34 Board, by any other method that the Controller may determine to  
35 be advisable. These securities shall be sold by the Controller no  
36 sooner than 18 months, but no later than 20 months, after the final  
37 date for filing the report required by Section 1530. If securities  
38 delivered to the Controller by a holder of the securities remain in  
39 the custody of the Controller, a person making a valid claim for  
40 those securities under this chapter shall be entitled to receive the

1 securities from the Controller. If the securities have been sold, the  
2 person shall be entitled to receive the net proceeds received by the  
3 Controller from the sale of the securities. United States government  
4 savings bonds and United States war bonds shall be presented to  
5 the United States for payment. Subdivision (a) does not apply to  
6 the property described in this subdivision.

7 (c) (1) All escheated property consisting of military awards,  
8 decorations, equipment, artifacts, memorabilia, documents,  
9 photographs, films, literature, and any other item relating to the  
10 military history of California and Californians that is delivered to  
11 the Controller is exempt from subdivision (a) and may, at the  
12 discretion of the Controller, be held in trust for the Controller at  
13 the California State Military Museum and Resource Center, or  
14 successor entity. All escheated property held in trust pursuant to  
15 this subdivision is subject to the applicable regulations of the  
16 United States Army governing Army museum activities as  
17 described in Section 179 of the Military and Veterans Code. Any  
18 person claiming an interest in the escheated property may file a  
19 claim to the property pursuant to Article 4 (commencing with  
20 Section 1540).

21 (2) The California State Military Museum and Resource Center,  
22 or successor entity, shall be responsible for the costs of storage  
23 and maintenance of escheated property delivered by the Controller  
24 under this subdivision.

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