

Assembly Bill No. 355

Passed the Assembly September 1, 2015

Chief Clerk of the Assembly

Passed the Senate August 31, 2015

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2015, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend 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, 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.

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

SECTION 1. Section 1531.6 is added to the Code of Civil Procedure, to read:

1531.6. (a) In addition to the notices required pursuant to this chapter, the Controller may mail a separate notice to an apparent owner of a United States savings bond, war bond, or military award

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 reported owner of the safe deposit box or other safekeeping repository.

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

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

(2) If the address or other identification or location information requested by the Controller is deemed confidential under any law or regulation of the state, it shall nevertheless be furnished to the Controller. However, neither the Controller nor any officer, agent, or employee of the Controller shall use or disclose that information, except as may be necessary in attempting to locate the owner of unclaimed property.

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

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

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

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

1563. (a) Except as provided in subdivisions (b) and (c), all escheated property delivered to the Controller under this chapter shall be sold by the Controller to the highest bidder at public sale in whatever city in the state affords in his or her judgment the most favorable market for the property involved, or the Controller may conduct the sale by electronic media, including, but not limited to, the Internet, if in his or her judgment it is cost effective to conduct the sale of the property involved in that manner. However, no sale shall be made pursuant to this subdivision until 18 months after the final date for filing the report required by Section 1530. The Controller may decline the highest bid and reoffer the property for sale if he or she considers the price bid insufficient. The Controller need not offer any property for sale if, in his or her

opinion, the probable cost of sale exceeds the value of the property. Any sale of escheated property held under this section shall be preceded by a single publication of notice thereof, at least one week in advance of sale, in an English language newspaper of general circulation in the county where the property is to be sold.

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

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

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

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

Approved _____, 2015

Governor