

Assembly Bill No. 1004

Passed the Assembly March 9, 2000

Chief Clerk of the Assembly

Passed the Senate February 28, 2000

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2000, at _____ o'clock ____M.

Private Secretary of the Governor



CHAPTER _____

An act to amend Item 0840-001-0001 of Section 2.00 of the Budget Act of 1999, relating to unclaimed property, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1004, Papan. Unclaimed property: sending of notices.

Existing law, Item 0840-001-0001 of the Budget Act of 1999, appropriates money for the support of the Controller, but restricts its use with regard to providing information about unclaimed property, as specified.

This bill would provide that the restrictions on the appropriation do not apply to the sending of notices to apparent owners of unclaimed property, as specified.

This bill would declare that it would take effect immediately as an urgency statute.

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

SECTION 1. Item 0840-001-0001 of Section 2.00 of the Budget Act of 1999 (Ch. 50, Stats. 1999) is amended to read:

0840-001-0001-For support of State Controller	60,391,000
Schedule:	
(a) 100000-Personal Services	64,672,000
(b) 300000-Operating Expenses and Equipment	34,481,000
(c) Less funding provided by State Controller's Statewide Information Technology Projects (Item 0841- 001- 0001)	-3,597,000
(d) Reimbursements	-27,730,000



(e) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-0061)	-2,915,000
(f) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Item 0840-001-0062)	-804,000
(g) Amount payable from the Local Revenue Fund (Item 0840-001-0330)	-387,000
(h) Amount payable from the State School Building Lease-Purchase Fund (Item 0840-001-0344)	-699,000
(i) Amount payable from the Federal Trust Fund (Item 0840-001-0890)	-1,273,000
(j) Amount payable from the State Penalty Fund (Item 0840-001-0903)	-936,000
(k) Amount payable from non-governmental cost funds, (Retail Sales Tax Fund) (Item 0840-001-0988)	-178,000
(l) Amount payable from various special funds (Item 0840-011-0494)	-41,000
(m) Amount payable from various bond funds (Item 0840-011-0797)	-162,000
(n) Amount payable from various nongovernmental cost funds (Item 0840-011-0988)	-40,000

Provisions:

1. The appropriation made in this item shall be in lieu of the appropriation in Section 1564 of the Code of Civil Procedure for all costs, expenses, or obligations connected with the administration of the Unclaimed Property



Law, with the exception of payment of owners' or holders' claims pursuant to Section 1540, 1542, 1560, or 1561 of the Code of Civil Procedure, or of payment of the costs of compensating contractors for locating and recovering unclaimed property due the state.

2. Of the claims received for reimbursement of court-ordered or voluntary desegregation programs pursuant to Sections 42243.6, 42247, and 42249 of the Education Code, the Controller shall pay only those claims that have been subjected to audit by school districts in accordance with the Controller's procedures manual for conducting audits of education desegregation claims. Furthermore, the Controller shall pay only those past-year actual claims for desegregation program costs that are accompanied by all reports issued by the auditing entity, unless the auditing entity was the Controller.
3. No less than 0.9 personnel-year in the Audits Division shall be used to audit education desegregation claims.
4. The Controller may, with the concurrence of the Director of Finance and the Chairperson of the Joint Legislative Budget Committee, bill affected state departments for activities required by Section 20050 of the State Administrative Manual, relating to the administration of federal pass-through funds. No billing may be sent to affected departments sooner than 30 days after the Chairperson of the Joint Legislative Budget Committee has been notified by the Director of Finance that he or she concurs with the amounts specified in the billings.
5. (a) Notwithstanding subdivision (b) of Section 1531 of the Code of Civil Procedure, the Controller may publish



notice in any manner that the Controller determines reasonable, provided that (1) none of the moneys used for this purpose is redirected from funding for the Controller's audit activities, (2) no photograph is used in the publication of notice, and (3) no elected official's name is used in the publication of notice.

- (b) No funds appropriated in this act may be expended by the Controller to provide general information to the public, other than holders, as defined in subdivision (e) of Section 1501 of the Code of Civil Procedure, of unclaimed property concerning the unclaimed property program or possible existence of unclaimed property held by the Controller's office, except for informational announcements to the news media, through the exchange of information on electronic bulletin boards, or no more than \$15,000 per year to inform the public about this program in activities already organized by the Controller for other purposes. This restriction does not apply to the sending of individual notices to apparent owners of property as provided in subdivision (d) of Section 1531 of the Code of Civil Procedure.
- 6. The Controller's office shall, through audits of Medi-Cal program and providers, enhance the General Fund resources or reduce the General Fund expenditures in the amount of \$22,100,000, through identification of overpayments, cost avoidance, and other appropriate measures.
- 7. Of the moneys appropriated to the Controller in this act, the Controller shall not expend more than \$500,000 to conduct posteligibility fraud audits of the Supplemental Security



Income/State Supplementary Payment
Program (SSI/SSP).

8. The Commission on State Mandates shall provide, in applicable parameters and guidelines, as follows:
 - (a) If a local agency or school district contracts with an independent contractor for the preparation and submission of reimbursement claims, the costs reimbursable by the state for that purpose shall not exceed the lesser of (1) 10 percent of the amount of the claims prepared and submitted by the independent contractor, or (2) the actual costs that would necessarily have been incurred for that purpose if performed by employees of the local agency or school district.
 - (b) The maximum amount of reimbursement provided in subdivision (a) may be exceeded only if the local agency or school district establishes, by appropriate documentation, that the preparation and submission of these claims could not have been accomplished without incurring the additional costs claimed by the local agency or school district.
9. The funds appropriated to the Controller in this act may not be expended for any performance review or performance audit except pursuant to specific statutory authority. It is the intent of the Legislature that audits conducted by the Controller, or under the direction of the Controller, shall be fiscal audits that focus on claims and disbursements, as provided for in Section 12410 of the Government Code. Any report, audit, analysis, or evaluation issued by the Controller for the 1999–00 fiscal year shall cite the specific statutory or constitutional provision authorizing the preparation and



release of the report, audit, analysis, or evaluation.

10. The Controller shall deliver his or her monthly report on General Fund cash receipts and disbursements within 10 days after the close of each month to the Joint Legislative Budget Committee, the fiscal committees of the Legislature, the Department of Finance, the Treasurer's office, and the Office of the Legislative Analyst.
11. For purposes of the review and payment of any claim for reimbursement by local government submitted pursuant to Section 54954.4 of the Government Code, the Controller shall use the procedures that were in effect at the time the claim was submitted.
12. Pursuant to subdivision (c) of Section 1564 of the Code of Civil Procedure, the Controller shall transfer all money in the Abandoned Property Account in excess of fifty thousand dollars (\$50,000) to the General Fund no less frequently than at the end of each month. This transfer shall include unclaimed Proposition 103 insurance rebate moneys pursuant to Section 1861.01 of the Insurance Code and Section 1523 of the Code of Civil Procedure.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to expedite the return of unclaimed property to its rightful owners, it is necessary for this act to take effect immediately.



Approved _____, 2000

Governor

:

┌