

**SENATE JUDICIARY COMMITTEE**  
**Senator Hannah-Beth Jackson, Chair**  
**2019-2020 Regular Session**

AB 2198 (Ting)  
Version: June 4, 2020  
Hearing Date: July 30, 2020  
Fiscal: Yes  
Urgency: No  
AM

**SUBJECT**

Unclaimed property: secure payment of claims

**DIGEST**

This bill authorizes the Controller to implement additional measures designed to streamline secure payment of claims to claimants under the Unclaimed Property Law (UPL) by authorizing the Controller to minimize the number of documents a claimant is required to submit for property under \$5,000, allow electronic submission of documentation through the Controller's website on claims deemed appropriate by the Controller, and authorize the direct deposit of an approved claim by electronic fund transfer.

**EXECUTIVE SUMMARY**

The UPL establishes procedures for the state to hold, but not own, unclaimed property and provides a claims procedure to claim property held by the state. For property valued at \$1,000 or less and belonging to a single owner, a claimant can submit a claim through the Controller's website on a single form and receive the property in a few weeks. However, for all other properties a claimant must submit several documents by mail which can take several months to process. This bill seeks to authorize the Controller to implement additional measures in order to streamline the claims process under the UPL. There is no known support or opposition.

**PROPOSED CHANGES TO THE LAW**

Existing law:

- 1) Establishes the UPL, provides that it is the intent of the Legislature that property owners be reunited with their property, and prohibits property received by the state under the UPL from permanently escheating to the state. (Code Civ. Proc. §§ 1500 et. seq.; § 1501.5(a) & (c).)

- 2) Requires banking and financial organizations, insurance companies, and other businesses that hold a customer's property to transmit that property to the State Controller if the owner fails to engage in any account activity for a specified period of time, generally three years, and if the owner fails to take certain actions and respond to specified notices. (Code Civ. Proc. §§ 1510-1515.)
- 3) Provides a claims procedure for claiming property held by the state. (Code Civ. Proc. §§ 1540-1542)

This bill authorizes the Controller to minimize the number of documents a claimant is required to submit for property under \$5,000, allow electronic submission of documentation through the Controller's website on claims deemed appropriate by the Controller, and authorize the direct deposit of an approved claim by electronic fund transfer in order to streamline the secure payment of claims under the UPL.

### COMMENTS

#### 1. Stated need for the bill

The author writes:

AB 2198 is necessary to streamline the Unclaimed Property process so that Californians can more easily access their property. While the eClaims process has simplified many claims, not all claims can go through eClaims and the documentation requirements are overly burdensome, with all claims requiring at least six different types of documentation. The bill would streamline the process by requiring less documentation for claims, allowing for electronic submission of documentation to the Controller's Office for all claims, and allowing for direct deposit of all claims.

#### 2. Streamlining the claims process for recovering unclaimed property

As of January 2019, the State Controller's Office (SCO) reported it holds 48 million properties worth an estimated \$9.3 billion.<sup>1</sup> In 2014, the SCO instituted an eClaims program where properties valued \$1,000 or less and belonging to a single owner can be claimed through the SCO's website by filling out an online form, which can be considered in minutes.<sup>2</sup> For property over \$1,000, claimants must submit at least six different documents through the mail, which can take months to process.<sup>3</sup> A 2015

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<sup>1</sup>Find Your "Pot of Gold" at [Calimit.ca.gov](https://calimit.ca.gov), Cal. State Controller's Off., PR19:8 (Mar. 13, 2019) (available at [https://sco.ca.gov/eo\\_pressrel\\_19941.html](https://sco.ca.gov/eo_pressrel_19941.html) as of Jul. 7, 2020).

<sup>2</sup>Unclaimed Property: Rethinking the State's Lost & Found Program, Leg. Ana. Off. (Feb. 10, 2015) at 13 (available at <https://lao.ca.gov/reports/2015/finance/Unclaimed-Property/unclaimed-property-021015.aspx> as of Jul. 2, 2020)

<sup>3</sup> *Ibid.*

Legislative Analyst Office (LAO) report found that the amount of single owners reunited with their property almost tripled after instituting the eClaims process in 2014 when compared to the same time period in 2013.<sup>4</sup> The LAO also found that “[r]equiring such extensive documentation at the outset of the process likely results in some potential claimants abandoning their paper claim because they find the process too time consuming” and that many times all the documentation required to be submitted was unnecessary.<sup>5</sup> This bill seeks to streamline the current claims process under the UPL in order to get more property currently being held by the State back into the hands of the owners. The bill seeks to accomplish this goal by authorizing the Controller to do three things: (1) minimize the number of documents a claimant is required to submit for property under \$5,000, (2) allow electronic submission of documentation through the Controller’s website on claims deemed appropriate by the Controller, and (3) authorize the direct deposit of an approved claim by electronic fund transfer.

### SUPPORT

None known.

### OPPOSITION

None known.

### RELATED LEGISLATION

#### Pending Legislation:

None known.

#### Prior Legislation:

AB 1637 (Smith, Ch. 320, Stats. 2019) permitted property reported to, and received by, the Controller in the name of a state or local agency, as defined, to be transferred by the Controller directly to that agency without the filing of a claim.

AB 2773 (Acosta, 2018) would have required the Controller to create a program for the voluntary disclosure of unclaimed property consistent with specified requirements. The bill was never heard in the Assembly Judiciary Committee.

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<sup>4</sup> *Id.* at 25.

<sup>5</sup> *Id.* at 21.

**PRIOR VOTES:**

Assembly Floor (Ayes 76, Noes 0)

Assembly Appropriations Committee (Ayes 18, Noes 0)

Assembly Judiciary Committee (Ayes 10, Noes 0)

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