



MALIA M. COHEN
California State Controller
UNCLAIMED PROPERTY DIVISION

**Notice to Holders
January 2023**

**NEW LAW CHANGE
Voluntary Compliance Program and Controller's
Disclosure of Records**

This notice is to advise holders of revisions to the Unclaimed Property Law (UPL) (Code of Civil Procedures [CCP] section 1500 et. seq.) and the addition of sections 7925.015 and 7927.425 to the Government Code.

Interest Assessment – Unclaimed Property

[Assembly Bill \(AB\) 2280](#) (Chapter 282, Statutes of 2022) amends Sections 1577 and replaces Section 1577.5 of the [CCP](#), relating to unclaimed property. UPL requires businesses to review their books and records annually and report any property to the state when there has been no activity for a period of time, usually a three-year dormancy period.

AB 2280 amends section 1577 of the UPL to clarify when the limit on interest payable applies.

- Imposes the limit of \$10,000 on interest payable if a holder files a report and remits property on time, but the report is not in substantial compliance with CCP sections 1530 or 1532.

AB 2280 revises Section 1577.5 of the UPL to authorize the Controller to establish a Voluntary Compliance Program (VCP):

- **This section shall become operative only upon an appropriation by the Legislature in the annual Budget Act for this purpose.**
- Authorizes the Controller to establish a VCP for the purpose of resolving unclaimed property that is due and owing to the state under the UPL.
- Prescribes the requirements for a holder enrolled in the program to receive waived interest assessments, including participation in training and education, review of books and records for unclaimed property, as well as the reporting and payment or delivery of unclaimed property within specified timeframes.
- Eligible holders may request to enroll in the program; however, eligible holders will only be enrolled at the Controller's discretion.
- Ineligible holders include those that:
 - Are subject to an unclaimed property examination;
 - Are the subject of a civil or criminal investigation;
 - Have past due interest assessments from the previous 5 years that remain unpaid; or
 - Have had interest waived under the VCP in the previous 5 years.

Agreements to Assist in Recovery of Property – Unclaimed Property

[AB 2280](#) (Chapter 282, Statutes of 2022) amends Section 1582 of the [CCP](#).

- Requires agreements to locate or recover property to be made after property is paid or delivered to the Controller.
- Invalidates agreements that would require the owner to pay a fee or compensation prior to approval of the claim and payment of the recovered property to the owner by the Controller.
- Requires agreements made after the property is paid or delivered to include a disclosure of the nature and value of the property, the fact that Controller is in possession of the property, and the address where the owner can claim the property directly from the Controller.

Government Codes – Disclosure of Unclaimed Property Records

[AB 2280](#) adds Sections 7925.015 and 7927.425 to the Government Code, relating to unclaimed property.

- Revises California Public Records Act (CPRA) to exempt disclosure of records and information obtained pursuant to the UPL.
- Exempts from disclosure under the CPRA records and information of the Controller obtained pursuant to the UPL, including financial records obtained as a result of an examination of records of persons reasonably believed to be holders of unclaimed property, records related to statements of personal worth or personal financial data, and personal information, as defined.

California has a unique, two-report process for reporting unclaimed property. SCO recommends first-time reporters register for a [free educational webinar](#) on California's unclaimed property reporting process. For complete reporting instructions, forms, and link to free reporting software, visit the State Controller's website at GoReport.sco.ca.gov.

To receive notifications when the Controller's VCP is operative, as well as other law changes updates to forms or other publications via email, subscribe to our [email list](#).

If you have any questions, please contact the Outreach and Compliance Unit at upholderoutreach@sco.ca.gov or (916) 464-6088.