

Winter 2016

CALIFORNIA STATE CONTROLLER BETTY T. YEE



Unclaimed Property Division Quarterly Newsletter for Holders

Changes to State Law

Starting January 1, 2018, an amended California law will become operational and require holders to recognize specified owner-authorized electronic transactions as activity on an account. These types of transactions must be reflected in the holder's books and records for the purpose of determining dormancy.

California law requires holders to report and transfer property to the State Controller's Office when there has been no activity for a certain period of time (generally three years) unless the owner has done any of the following:

- Increased or decreased the amount of the funds or deposit, cashed an interest check, or presented the passbook, similar evidence of the deposit, or an appropriate record for the crediting of interest or dividends;
- Corresponded with the banking or financial organization concerning the funds or deposit; or
- Otherwise indicated an interest in the funds or deposit in a record on file with the banking or financial organization ([California Code of Civil Procedure \(CCP\) section 1513](#)).

Assembly Bill 2258 (Chapter 463, Statutes of 2016) amended CCP section 1513 to allow certain electronic transactions to be considered as evidence that an owner has changed the amount of funds or deposit in an account for:

- A single or recurring debit transaction authorized by the owner;
- A single or recurring credit transaction authorized by the owner;
- Recurring transactions authorized by the owner that represent payroll deposits or deductions; and
- Recurring credits authorized by the owner or a responsible party that represent the deposit of any federal benefits including social security benefits, veterans' benefits, and pension payments.

View [details about this new law](#).



A Note from the State Controller

This winter season, I extend thanks to the staff of every business and organization who work to report lost and forgotten property. With your help, we are able to reunite rightful owners with hundreds of thousands of dollars' worth of money and other items each week.

Now that you have submitted your 2016 Holder Notice Reports, my team will mail notices to reported owners of securities, safe deposit boxes, and property valued at \$50 or more. Notices will instruct property owners to contact your organization to claim their property before a specific date by which it must be sent to my office for continued safekeeping.

Thank you for your continued dedication to transparency and customer service.

Sincerely,
Betty

Frequently Asked Question

When do I need to report a social security number (SSN) with a property?

Organizations are required to report the SSN or taxpayer identification number of the owner if this information is contained within their records

([California Administrative Code section 1174](#)).

SSNs are especially important when an organization reports the following property types:

MS01	Wages, Payroll, Salary
MS02	Commissions
MS03	Worker's Compensation Benefits
MS14	Pension and Profit Sharing
CK10	Expense Checks
CK11	Pension Checks
IR Series	IRA Properties
AC Series	Account Properties
SC Series	Securities-Related Properties

If the SSN or taxpayer identification number is not in the organization's records, then a written explanation must be submitted with the report.

Closing Accounts Too Soon?

[CCP section 1532\(a\)](#) prohibits the State Controller from receiving property, including shares, until seven to seven and one-half months after the Holder Notice Report due date. When reporting securities or mutual funds, owner accounts must not be closed or transferred into a holding account in the name of the State Controller until the Holder Remit Report is due (June 1 to 15). This gives the owner time to contact the organization directly to claim the property.

For questions, contact Rajni Kapoor with the Securities Management and Reconciliation Unit at (916) 464-6382 or RKapoor@sco.ca.gov.

Contact Information

Our team is continually working with the information provided in holder reports. If any contact information has changed since your last report, please phone the Outreach and Compliance Unit at (916) 464-6088 or email UPDHolderOutreach@sco.ca.gov.

Did You Discover More Property?

If you discover additional dormant properties after submitting your 2016 Holder Notice Report, you must report these properties on a separate Supplemental Notice Report. Read more on page 23 of the [Holder Handbook](#).

Important Dates

By May 1

Life Insurance Holder Notice Report due

October 31 - April 30

Holder due diligence must be completed for 2017 report year

We're Here to Help!

(916) 464-6088 | UPDHolderOutreach@sco.ca.gov

The Outreach and Compliance Unit provides holder education and resources through one-on-one assistance, webinars, and speaking engagements. Visit the [events page](#) for up-to-date information or contact us for participation in your next event.

www.sco.ca.gov



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