



MALIA M. COHEN
California State Controller
UNCLAIMED PROPERTY DIVISION

**Notice to Holders
September 2023**

**NEW LAW CHANGE
Worthless Shares and Security Sales**

This notice is to advise holders of revisions to California's Unclaimed Property Law (UPL) (Code of Civil Procedures [CCP] section 1500 et. seq.) effective January 1, 2023, and changes related to the escheatment of worthless shares.

Assembly Bill (AB) 2960 (Chapter 420, Statutes of 2022) amends Sections 1516 and 1563 of the CCP, relating to unclaimed property. The 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 2960 amends CCP section 1516 to prevent escheatment of worthless shares.

- Intangible interest in a business association, per association stock or membership records, does not escheat unless or until the per-share value is equal to or greater than one cent (\$0.01) or the worthless shares' aggregate value exceeds one thousand dollars (\$1,000.00).

AB 2960 also amends CCP section 1563 to change the timeframe in which the Controller is required to sell securities.

- Securities listed on an established stock exchange shall be sold by the Controller no sooner than 18 months but no later than 20 months after the actual date of Notice Report filing, rather than the final file date.

California has a unique, two-report process for reporting unclaimed property. The State Controller's Office (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 SCO's website at GoReport.sco.ca.gov.

To receive email notifications of law changes and updates to forms or other publications, subscribe to our [email list](#).

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