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Chiang Comments on Governor's Veto of Unclaimed Property Reforms

State Controller John Chiang today issued the following statement on the Governor's veto of SB 1319, which was authored by Sen. Michael Machado (D-Linden) and sponsored by Chiang.

"Last year, I sponsored reform legislation that cut through the red tape and lifted legal restrictions that prevented my office from notifying hundreds of thousands of unclaimed property owners that their belongings were being held by the State and available for them to claim. Since these reforms took hold, my office mailed 2.5 million notices to owners, which is more than double the 1.2 million notices my office was able to send during the previous decade. This successful effort to restore integrity to the unclaimed property program has also allowed my office to notify people before their property is sent to the State, which gives them the opportunity to reactivate their accounts.

"I sponsored SB 1319 to build on these successful reforms, offer more protection for property owners, and improve the efforts of private businesses to notify their customers before sending their lost, forgotten and abandoned property to the State. I am disappointed the Governor vetoed these additional reforms. The bill would have restored interest payments on unclaimed property, a practice that ended in 2003. It also would have required banks to educate their customers upfront when they open an account or rent a safe deposit box that, if left untouched for three years, the box contents or account will be sent to the State as abandoned.

"I appreciate the Legislature's support of my plans to reunite even more unclaimed property with its rightful owners. I will continue my efforts to protect property owners, and I look forward to working with the Legislature and the Governor to see these reforms enacted."

California's unclaimed property program was created in 1959 to safeguard abandoned or forgotten property – such as bank accounts, utility deposits or stock certificates – from being lost during mergers or bankruptcies, drawn down by service or storage fees, or simply used by private interests for personal gain, either through an unwillingness to find the owner or greed.