Date of Hearing: March 10, 2026

ASSEMBLY COMMITTEE ON JUDICIARY
Ash Kalra, Chair
AB 1660 (Schiavo) – As Introduced January 29, 2026

SUBJECT: PUBLIC GUARDIANS AND PUBLIC ADMINISTRATORS

KEY ISSUE: SHOULD A FINANCIAL INSTITUTION OR OTHER PERSON THAT FAILS TO PROVIDE SPECIFIED INFORMATION OR PROPERTY TO A PUBLIC ADMINISTRATOR, PUBLIC GUARDIAN, OR PUBLIC CONSERVATOR, AS REQUIRED BY EXISTING LAW, BE FINED $1,000 PER VIOLATION?

SYNOPSIS

Existing law establishes the offices of the Public Administrator (PA) and the Public Guardian (PG). The PA manages the estates of people who die without a will or any relatives able or willing to manage the decedent's estate. The PG provides guardianship assistance for the estate of a minor when assets are substantial and parents are not available. The PG can also act as a Public Conservator (PC) to arrange for the personal care and estate management for people who are unable to provide for their physical needs or manage their financial resources. Existing law authorizes each of these offices to take possession and control of property of a decedent, minor, or conservatee and to record a certificate of authority acknowledging this power. Finally, existing law requires a financial institution or other person to provide information and surrender property to the PA, PG, or PC "without the necessity of inquiring into the truth of the written certification." A financial institution who surrenders information or property is discharged from any liability for any act or omission with respect to the property. However, existing law does not expressly impose any penalty if a financial institution fails to comply with this requirement. This bill would require a court to impose a fine of no less than $1,000 per violation.

According to the author, some financial institutions are failing to provide information or surrender property in a timely manner, as required by existing law, thus interfering with the public official's duty to administer the estate and prevent loss, waste, or misappropriation. The author notes that this bill does not impose any new requirements on financial institutions; rather, it simply creates an incentive for them to comply with existing requirements.

The bill is sponsored by California State Association of Public Administrators, Public Guardians, and Public Conservators. A coalition of groups representing the banking and insurance industries oppose the bill unless amended to remove the $1000 penalty and, instead, reform problems in the underlying statute.

SUMMARY: Requires a court to award sanctions of no less than $1,000 per violation if a financial institution or other person fails to comply with existing requirements to provide information or surrender property of a decedent, minor, or conservatee to a public administrator or public guardian that is authorized to take possession and control of such property.

EXISTING LAW:

1) Requires a county public guardian to apply for appointment as a guardian or conservator of the person, the estate, or the person and estate, if there is an imminent threat to a person's

health or safety or the person's estate, there is no one else who is qualified and willing to act, as specified, and the appointment would be in the best interests of the person. (Probate Code Section 2920. All subsequent citations refer to this code.)

2) Permits a public guardian or public conservator [hereafter public guardian], where conditions above have been met, to take possession or control of real or personal property of the subject person if the property is subject to loss, injury, waste, or misappropriation. (Section 2900.)

3) Permits a public guardian who is authorized to take possession or control of property pursuant to the above to issue a written and recordable "certificate of authority" of that fact. Specifies that the certificate of authority must comply with prescribed form and content, including the signature and official seal of the public guardian. (Section 2901 (a)-(c).)

4) Requires a financial institution or other person, without the necessity of inquiring into the truth of the written certification and without court order, to provide the public guardian with information concerning any property of the minor or conservatee and to surrender to the public guardian any property of the minor or conservatee that is subject to loss, injury, waste, or misappropriation. Specifies that the written certification constitutes sufficient basis for providing the information or surrendering the property and relieves the financial institution from liability for any act or omission done pursuant to these requirements. (Section 2901 (d)-(e).)

5) Establishes the public administrator as an officer of a county and permits the public administrator to administer a person's estate under certain circumstances, most notably where a person has died without a will and there is no personal representative or family member willing or able to administer the estate. (Sections 7600-7602.)

6) Permits a public administrator who is authorized to take possession or control of property of a decedent, as specified, to issue a written and recordable certificate of this fact. (Section 7603 (a)-(b).)

7) Requires a financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person [hereafter financial institution], without necessity of inquiring into the truth of the written certification and without requiring a death certificate, to provide the public administrator with information about the decedent's property, to grant access to a safe deposit box, as specified, and to surrender an property of the decedent that, in the sole discretion of the public administrator, is deemed to be subject to loss, injury, waste, or misappropriation. Specifies that the written certification constitutes sufficient basis for providing the information or surrendering the property and relieves the financial institution from liability for any act or omission done pursuant to these requirements. (Sections 7603, 7660.)

FISCAL EFFECT: As currently in print this bill is keyed non-fiscal.

COMMENTS: According to the author:

> Individuals who cannot care for themselves and do not have family or loved ones to care for them rely on Public Conservators to manage their finances and connect them with the care they need. To fulfill this duty, Public Conservators have the legal authority to access their accounts and assets. This is similar for both Public Administrators and

> Public Guardians as well. However, there is no penalty for financial institutions to comply with the legal requests of Public Conservators to transfer or access accounts. As a result, some financial institutions delay transfers or require repeated documentation, even when lawful authority is clear. Any delay in this access can lead to unpaid bills, late fees, slowed probate, and in some cases, disrupted care for vulnerable individuals. AB 1660 closes that enforcement gap by allowing courts to impose monetary sanctions for noncompliance. This bill ensures the requests from Public Conservators, Guardians, and Administrators are respected and responded to, reinforcing accountability and protecting Californians from avoidable harm.

***Public administrators and public guardians*.** Existing law establishes the offices of the Public Administrator (PA) and the Public Guardian (PG). The PA manages the estates of people who die without a will or any relatives able or willing to manage the decedent's estate. The PG provides guardianship assistance for the estate of a minor when assets are substantial and parents are not available. The PG can also act as a Public Conservator (PC) to arrange for the personal care and estate management for people who are unable to provide for their physical needs or manage their financial resources. Existing law authorizes each of these offices to take possession and control of property of a decedent, minor, or conservatee and record a certificate of authority acknowledging this power. Finally, existing law requires a financial institution or other person to provide information and surrender property to the PA, PG, or PC "without the necessity of inquiring into the truth of the written certification." A financial institution who surrenders information or property is discharged from any liability for any act or omission with respect to the property. In sum, existing law attempts to ensure that public administrators and public guardians have timely access to the accounts and property of the persons for whom they are responsible, so that estates of decedents may be settled in a reasonable time and that the assets of dependent minors and conservatees are not exposed to loss, waste, injury, or misappropriation.

The problem and proposed solution*.** While existing law requires financial institutions to provide information and surrender property to PAs and PGs without unnecessary delay, existing law does not expressly impose any penalty if a financial institution drags its feet or otherwise fails to comply with this requirement. According to the author, some financial institutions are failing to provide information or surrender property in a timely manner, as required, thus interfering with the public official's duty to administer the estate and prevent loss, waste, or fraud. The author notes that this bill does not impose any new requirements on financial institutions; rather, it simply creates an incentive for them to comply with existing requirements. According to the author, without a penalty, financial institutions have little incentive to comply in a timely manner. ***This bill, therefore*,* would *require* the court to impose a penalty of not less than $1000 for each violation. [**Note**: Although the author's background sheet and some of the letters of support say that the bill would "allow" the court to impose a penalty, the bill would, in fact, "require" the court to impose a penalty of not less than $1000.]

Opposition raises valid concerns, but those appear to reflect problems with existing law. While the financial institutions that oppose the bill unless amended object to the new $1000 penalty, their grievance appears to be with existing law as much or more than it is with changes proposed by this bill. While the proponents of this bill contend that financial institutions needlessly delay access to the property within the account, the financial institutions complain that existing law is far too lax in permitting PAs and PGs (or even those *claiming* to be so) to access information about, and access to property within, personal accounts.

Indeed, the opponents have a point. For example, California – like most if not all other states – requires that a legal representative administering a probate estate be approved and appointed by a court. However, while a PA or PG *may* have court approval, they do not need a court order to access information or property. Rather, they are entitled to information and property simply by issuing, on their own accord, a "certificate of authority." In addition, while existing law prescribes, in a general way, information that must be included in the certificate of authority, there is no standard form that would be immediately recognizable to the financial institution. Finally, existing law does not impose much if any duty on the financial institutions to ensure that the certificate of authority is legitimate or that the PA or PG is who they say they are. In fact, existing law expressly requires the financial institution to turn over information, grant access to safe deposit boxes, and surrender property "without the necessity of inquiring into the truth of the written certification." Surely if the consultant writing this analysis were to write out "Certificate of Authority" in crayon on the back of brown paper bag – and include the name of the county public administrator, a fake seal, and the name of an account holder – we would probably want the financial institution to inquire into the truth and legitimacy of the written certification before turning over the property. Just as surely the bank would be expected to surrender information or property if the certificate was on official letterhead containing a seal, and the person bearing it had identification showing that they were the PA or PG, or an authorized representative. The opponents may be correct that the language in existing law, including the boilerplate language prescribed for the certificate, could be improved to provide more guidance on what degree of inquiry is appropriate.

Opponents also point to certain inconsistencies in existing law. For example, Section 2901 of existing law specifies that the institution must surrender to the PA property that "is subject to loss, injury, waste, or misappropriation." This suggests that financial institutions need not surrender property of an account that has been frozen, since it would not be subject to loss, injury, waste, or misappropriation. Opponents also claim that existing law does not require the PA to demonstrate that the property sought is subject to loss, injury, waste, or misappropriation. Finally, the opponents claim that the law could be improved by requiring the PA or PG to provide certain details – such as a social security number, last known address, or date of birth – so that they can ensure that the person named on the certificate of authority is the same person named on the account.

The author, on the other hand, correctly notes that the bill does not impose any requirements upon financial institutions that the law does not already require. Rather, the author contends, this bill merely imposes a penalty for failure to comply with existing law.

Should the bill move out of this Committee, ***the author may wish to consider*** the concerns raised by the financial institutions. Both the financial institutions, on the one hand, and the PA and PG, on the other hand, have a common interest in protecting the assets of a decedent, minor, or conservatee against loss, waste, and fraud. While it is true that existing law relieves financial institutions from any liability for surrendering information and property as required, they nonetheless have a professional (if not legal) obligation to protect their customers' assets from fraud. Similarly, the PA and PG have a duty to take control of the property relatively quickly so that it is not subject to loss, waste, or fraud. The opposition expresses a willingness to engage in continuing conversations on amendments that would allow financial institutions to take reasonable steps to detect fraud, while also assuring reasonable access by PAs and PGs to the accounts of decedents, minors, and conservatees.

ARGUMENTS IN SUPPORT*:* The California State Association of Public Administrators, Public Guardians, and Public Conservators – the sponsor – writes in support:

> Current law outlines the procedure by which a PA, PG, and PC obtain control of assets from banks, credit unions, investment companies, and online financial companies. Unfortunately, many financial institutions are ignoring the law by failing to cooperate timely with PA, PG, and PC requests. AB 1660 allows courts to impose monetary sanctions of no less than $1,000 on financial institutions who fail to timely comply with current law.
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> It is common for banks and investment companies to deny a Public Administrator or Public Guardian/Conservator requests for information or control of assets even when presented with proper identification and legally prescribed documentation of authority. The lack of compliance by financial institutions delays the probate process and can create estate and guardianship complications, and/or worsen existing financial disputes. The significant time spent prodding financial institutions to comply with existing law, often more than six months, is a waste of county and taxpayer resources.
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> AB 1660 does not expand authority or place any new mandates on financial institutions. Instead, it enhances existing law by allowing the court to impose fines for noncomplying financial institutions.

ARGUMENTS IN OPPOSITION (UNLESS AMENDED)*:* The California Bankers Association, California Credit Union League, The National Association of Mutual Insurance Companies, and the Mutual Insurance Companies [opponents] oppose this bill unless it is amended to remove the $1000 penalty and make additional reforms to existing law. The opponents argue that the financial institution "is effectively the only check in the system that the requesting PA is legitimate before turning over the property. Combatting fraud and scams is a top priority of financial institutions, and many members of Legislature, which is why it is surprising that the initial approach in AB 1660 encourages financial institutions to accelerate account access by threating new penalties. We oppose the measure unless the new penalties are deleted."

However, the opponents offer several suggestions for reforming the existing law in ways that, they believe, will "improve the working relationships between financial institutions and PAs settling these estates." Some of the specific reforms include "freezing the account" to eliminate risk of waste or misappropriation; improving the statute and boilerplate language regarding "loss, injury, waste, [and] misappropriation;" and requiring the PA and PG to provide "specific representation that the money in the account is subject to loss, injury, waste, or misappropriation." Opponents recommend changes that would, when possible, direct inquiries to the financial institution's "central legal processing locations," so that "decisions about granting access and turning over property are not always made at the branch or local office level."

Finally, the opponents recommend "removing the new penalty provisions and instead continuing conversations on amendments that would protect California's financial institutions' ability to prevent and detect fraud, while also assuring reasonable access by PAs to decedent accounts."

REGISTERED SUPPORT / OPPOSITION:

Support

California State Association of Public Administrators, Public Guardians, and Public Conservators (sponsor)
State Association of Counties (CSAC)
County Behavioral Health Directors Association
Riverside County Sheriff's Office

Opposition (Unless Amended)

California Bankers Association
California Credit Union League
National Association of Mutual Insurance Companies
Personal Insurance Federation of California

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