Date of Hearing: June 29, 2026

ASSEMBLY COMMITTEE ON TRANSPORTATION
Lori D. Wilson, Chair
SB 1029 (Seyarto) – As Amended June 23, 2026

SENATE VOTE: 33-0

SUBJECT: Vehicle lien sales: Department of Motor Vehicles: notice

SUMMARY: Provides that any balance of funds from the lien sale of a vehicle shall be forwarded to the State Controller and treated as escheated property instead of being deposited in the Motor Vehicle Account (MVA).

EXISTING LAW:

1) Provides that every person has a lien dependent upon possession for the compensation to which the person is legally entitled for making repairs or performing labor upon, and furnishing supplies or materials for, and for the storage, repair, or safekeeping of, and for the rental of parking space for, any vehicle of a type subject to registration under the Vehicle Code, subject to the limitations set forth in this chapter. (Civil Code section (CIV) 3068)

2) Specifies that a lien shall be deemed to arise at the time a written statement of charges for completed work or services is presented to the registered owner or 15 days after the work or services are completed, whichever occurs first. (CIV 3068)

3) Establishes the process to conduct a lien sale for any vehicle with a value determined to be over four thousand dollars ($4,000) as follows:

    a) A lienholder must apply to the Department of Motor Vehicles (DMV) for the issuance of an authorization to conduct a lien sale with an application that includes a description of the vehicle; the names and addresses of the registered and legal owners of the vehicle, and the name and address of any person whom the lienholder knows, or reasonably should know, claims an interest in the vehicle; and, a statement of the amount of the lien and the facts that give rise to the lien.

    b) Upon receipt of the application, DMV shall, by certified mail, send a notice, a copy of the application, and a return envelope preaddressed to DMV to the registered and legal owners, and to any other person whose name and address is listed in the application.

    c) The notice must include the following information: a notice of a pending lien sale, a notice that the person has a right to a hearing in court, a Declaration of Opposition form, and details of the court and opposition process, among other information, as specified.

    d) The lienholder shall give notice of the sale by advertising once in a newspaper of general circulation published in the county in which the vehicle is located. Alternatives are provided if there is no newspaper published in the county.

e) The lienholder must also send a Notice of Pending Lien Sale form 20 days prior to the sale but not counting the day of sale, by certified mail with return receipt requested to the registered and legal owners of the vehicle, all persons known to have an interest in the vehicle, and DMV.

f) The legal or registered owner may redeem the vehicle upon the payment of the amount of the sale, all costs and expenses of the sale, together with interest on the sum at the rate of 12 percent within ten days of the sale. (CIV 3071)

4) Establishes the process to conduct a lien sale for any vehicle with a value determined to be at or under four thousand dollars ($4,000), similar to the process described above, with the following differences:

   a) Rather than DMV notifying the owner of the vehicle of the lien sale, the lienholder shall send a completed Notice of Pending Lien Sale form, a Declaration of Opposition form, and a return envelope preaddressed to DMV, to the registered owner and legal owner, and to any other person known to have an interest in the vehicle. The lienholder shall additionally send a copy of the completed Notice of Pending Lien Sale form to DMV.

   b) At least 10 days prior to and including the day of the sale, the lienholder shall post a Notice of Pending Lien Sale form with the specific date and exact time of the sale in a conspicuous place on the premises of the business office or at the site of the forthcoming sale. (CIV 3072)

5) Establishes the process for the disposal of proceeds of a vehicle lien sale as follows:

   a) The amount necessary to discharge the lien and the cost of processing the vehicle shall be paid to the lienholder.

   b) The balance, if any, shall be forwarded to DMV within 5 to 15 days, depending on the value of the vehicle, and deposited in the MVA in the State Transportation Fund.

   c) At any point within three years of the sale any person claiming an interest in the vehicle may file a claim with DMV for any portion of the funds from the lien sale that were forwarded to the department. Upon determination by DMV that the claimant is entitled to an amount from the balance, the department shall pay that amount to the claimant. (CIV 3073)

6) Establishes the Unclaimed Property Law (UPL), which establishes when and how intangible property escheats to the state for the state to take custody of, but not own, unclaimed property. (Code of Civil Procedure Section (CCP) 1500 *et seq.*)

7) Provides that property received by the state pursuant to the UPL shall not permanently escheat to the state, and that it is the intent of the Legislature that property owners be reunited with their property. (CCP 1501.5.)

8) Requires every person holding funds or other property escheated to the state to file a report with the Controller as specified. (CCP 1530.)

9) Requires every person filing a report of unclaimed property that will escheat to the state to, no sooner than seven months and no later than seven months and 15 days after the final date for filing the report, pay or deliver to the Controller all escheated property specified in the report. (CCP 1532 (a).)

10) Requires the holder of any digital financial asset that escheats to the state, no more than 30 days after the final date for filing a report of unclaimed property, to transfer the exact digital financial asset type, private keys, and amount, unliquidated, to the Controller's cryptocurrency custodian or as the Controller by regulation may designate. (CCP 1532 (e).)

11) Authorizes the Controller to convert digital financial assets in its possession to fiat currency at prevailing prices by any method that the Controller may determine to be advisable. Requires the Controller to convert such digital financial assets no sooner than 19 months, but no later than 20 months, after the actual date of filing the report required by the holder of the person holding escheated property. (CCP 1563 (c).)

12) Entitles a person making a valid claim for digital assets that have been delivered to the Controller and that remain in the custody of the Controller to receive the digital financial assets from the Controller. Entitles a person making a valid claim to receive the net proceeds received by the Controller from its sale if the digital financial assets have been converted. (CCP 163 (c).)

FISCAL EFFECT: Unknown

COMMENTS: If a person has repaired, furnished materials for, or towed or stored a vehicle and has not been paid for the services rendered, that person has a lien against the vehicle. For example, if a vehicle was towed and the owner did not retrieve it for a few days, the amount owed to the storage yard would increase daily. If the owner was unable to pay the amount owed to the storage yard, the company would have a lien against the vehicle for the amount owed. A lien may be satisfied by getting a court judgment or by selling the vehicle through a lien sale process. To conduct a lien sale, the person/lienholder must have possession of the vehicle. The lien arises (becomes effective) at the time the registered owner is presented with a written statement of charges for completed work or services. However, if possession is the result of a public agency or private property impound, the lien arises when the vehicle is transported (towed).

Owners of vehicles subject to a lien are notified of a pending lien sale before the vehicle is sold. Depending on the value of the vehicle, either DMV or the lienholder must send written notice of the pending lien sale to the registered owner and legal owner at their addresses of record, and to any other person known to have an interest in the vehicle. The notice must include a description of the vehicle, the details of the lien, a Declaration of Opposition form, and details of opposition process. The owner of the vehicle may submit the Declaration of Opposition form to DMV to contest and pause the sale. The lien sale may only continue if the lienholder then successfully files an action in court.

Excess lien fees are monies received in excess of the lien amount when a vehicle is sold at a lien sale. After a vehicle is sold at a lien sale, the amount necessary to discharge the lien and the cost of processing the vehicle is paid to the lienholder, in addition to a processing fee. Then, any money leftover is sent to DMV and deposited in the Motor Vehicle Account. Any person claiming an interest in the vehicle has three years to file a claim with DMV for a portion of the funds from the lien sale. DMV evaluates the claim and pays out the funds based on their determination. However, current law does not require DMV to proactively notify the former owner of the vehicle of availability of these funds.

A March 2025 CalMatters article titled *The DMV Makes Millions from Auctioned Cars, and Doesn't Tell the Owners*, reported that "from the beginning of 2016 through fall 2024, the DMV collected more than $8 million from nearly 5,300 cars sold at auction." The article noted that although most lien sales end in a loss, some vehicles net large profits (such as a Lamborghini Murciélago Roadster which was sold on a lien sale in 2023 and, after the towing company recouped $11,332 for the tow, storage and lien sale, $99,668 was left over). The article raised concerns that the process to recoup excess funds after a lien sale is opaque, and many people do not know whether the sale even resulted in excess money. More recently, DMV launched a lien sale excess fees lookup tool on their website. Vehicle owners can enter their license plate or Vehicle Identification Number (VIN) to see if a refund is available.

This bill would revert money leftover after the lien sale to the Controller's office under California's UPL.

(UPL) governs the process by which unclaimed personal property escheats (or transfers) to the state. The goal of the law is to both reunite owners with their property and, pending such reunion, allow the state to utilize the property for the public benefit. Under the UPL, the state assumes possession and holds the property in perpetuity as a trustee for the rightful owner. (*Harris v. Westly* (2004) 116 Cal.App.4th 214, 219 (internal quotations omitted), *Bank of America v. Cory* (1985) 164 Cal.App.3d 66, 75.)

The UPL involves three distinct actors: the owner, or the person/entity with the rightful claim to the property; the holder, who is typically the business or financial institution who is in possession of the property that becomes abandoned; and the State Controller who assumes custody of the unclaimed property from the holder and then administers claims, and manages the unclaimed property fund. The holder acts as a fiduciary and must report and remit property to the state when it is presumed abandoned. (Code of Civil Procedure Sections 1530-32.) Once in the Controller's custody, the property is either retained (in the case of tangible property) or liquidated and deposited in the Unclaimed Property Fund.

The UPL applies to a wide range of intangible personal property, including bank accounts, uncashed checks, wages, stocks, and insurance proceeds. Property is presumed abandoned if it remains unclaimed by its owner for a statutory dormancy period. Once the Controller takes custody of the property it may earn income or interest from the property, which is deposited into the General Fund, while the principal remains subject to claim by the owner indefinitely. (Sections 1540, 1570.)

According to the author, "Between 2016 and 2024, the DMV collected more than $8 million in surplus lien sale funds, yet current practice does not require any direct notice to individuals whose cars were sold. SB-1029 closes this serious consumer-protection gap in California's lien sale process by ensuring that vehicle owners are actually notified when the state is holding surplus auction proceeds that belong to them. For the families already struggling to make ends meet, that can mean thousands of dollars quietly sit with the state and are eventually forfeited to the DMV if a claim is not made within three years. This bill helps ensure that surplus funds reach the hands to whom they belong, rather than returning to the DMV's Motor Vehicle Account."

Related and previous legislation. AB 2335 (Valencia) of 2026 requires the Controller, when digital assets are transferred to the Controller under the UPL, to hold the assets as high-quality digital assets, as specified. AB 2335 is pending before Senate Judiciary Committee.

AB 1447 (Gipson) of 2025 amends the UPL to clarify when the State Controller must provide notice by mail to an apparent owner that the apparent owner appears to be entitled to property in excess of $50 that escheated to the Controller under the UPL. AB 1447 is pending on the Senate Floor.

AB 1052 (Valencia, 2025) would have amended the UPL to provide when and how digital financial assets, as defined, escheat to the state, using a procedure different than that established in SB 822 (Becker, Ch. 660, Stats. 2025). AB 1052 was held by Senate Appropriations Committee.

SB 1066 (Niello) of 2026 would have extended the period before which property is deemed abandoned and escheats to the state, from three years (in most cases) to seven years; extends the period before which the holder of potentially abandoned property must contact the owner about the potentially abandoned property, from two to two-and-a-half years (in most cases) to six and six-and-a-half years; and makes other changes to the Unclaimed Property Law (UPL). That bill was held in Senate Appropriations Committee.

SB 822 (Becker) Chapter 660, Statutes of 2025 amended the UPL to provide when and how digital financial assets, as defined, escheat to the state.

AB 2280 (Reyes) Chapter 282, Statutes of 2022 authorized the Controller to establish the California Voluntary Compliance Program, for the voluntary compliance of holders for the purpose of resolving unclaimed property that is due and owing to the state under the UPL.

SB 301 (Min) Chapter 103, Statutes of 2021 lowered the amount under the UPL at which point a transfer of unclaimed cash must be paid to the Controller via electronic transfer, from $20,000 to $2,000.

REGISTERED SUPPORT / OPPOSITION:

Support

California Credit Union League

Opposition

None on file

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