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# SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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## SB 1066 (Niello) - Unclaimed property

**Version:** April 13, 2026

**Urgency:** No

**Hearing Date:** May 4, 2026

**Policy Vote:** JUD. 13 - 0

**Mandate:** No

**Consultant:** Bob Franzoia

**Bill Summary:** This bill extends 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 to six and six-and-a-half years; and makes other changes to the Unclaimed Property Law (UPL).

**Fiscal Impact:** The payment of simple interest to claims from the date the rightful owner filed a claim through the date the property is returned is roughly estimated at \$5 million to \$10 million annually in lost interest to the Unclaimed Property Fund.

Mandating that all property delivered to State Controller's Office (SCO) be held in the same form in which it was delivered is estimated to have minor costs in the near term for additional storage.

The SCO's security brokerage services are borne by the owners of the property that are sold. Commission fees are deducted from the proceeds of security sales, and the owners are paid the net proceeds when their claims are processed. Requiring the restructuring of how brokerage fees are paid is estimated to a minor one time cost to the Unclaimed Property Fund.

**Background:** The UPL provides for the "escheat" of unclaimed personal property to the state, which is the reversion of property to the state due to the failure of the owner of the property to inherit or claim the property. "The UPL is not a permanent or 'true' escheat statute" because it does not transfer legal ownership of the property to the state. Instead, the state assumes custody of the property in perpetuity unless and until the owner claims the property, at which point the SCO must return the property to the owner.

**Proposed Law:** This bill would extend the period of inactivity with respect to property before which the property escheats to the state, from three years to seven years, as specified.

This bill extends for periods currently set at two years and two-and-a-half years, those periods to six years and six-and-a-half years.

This bill requires the SCO to pay interest to a rightful owner on the value of the claimed property from the period from the date the owner filed a claim through the date the

property is returned; the interest shall be calculated as simple, not compound, interest, as specified,

This bill eliminates the requirement that the SCO sell escheated property delivered to it under the UPL, instead requiring property to be maintained in its escheated form, except that (1) the SCO may convert digital financial assets to fiat currency, and (2) military awards, decorations, equipment and other items relating to California military history may still be held in trust at the California State Military Museum and Resource Center.

**Staff Comments:** The calculation of interest rate would be the lower of five percent per year or the bond equivalent rate of 13 week United State Treasury bills.

Escheated safe deposit box contents and other safekeeping items would be held without liquidation or destruction regardless of value.