STATE OF CALIFORNIA--HEALTH AND WELFARE AGENCY

PETE WILSON, GOVERNOR

DEPARTMENT OF MENTAL HEALTH
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December 12, 1995

DMH INFORMATION NOTICE NO.: 95-20

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, MENTAL HEALTH ADVISORY BOARD

SUBJECT: SB 481 (Escheat of unclaimed property)

EXPIRES: Retain until rescinded

SB 481 (Chapter 105, Statutes of 1995) amended Section 1441 of the Code of Civil Procedure and Section 50050 of the Government Code to extend the period of time for which an infant or person of unsound mind could file a claim against either the state or against a local agency for an escheated estate. Existing law provides that such claims may be made against estates escheated to the state for a five-year period following such action or for a three-year period for estates which are escheated to local agencies. The amendment extended the time for infants and persons of unsound mind to file claims from the five-year or three-year limitation to a period of time dating one year from the date their disability ceases.

The impact on the Department of Mental Health and/or local mental health agencies is expected to be very minimal as a result of these changes. A copy of the chaptered legislation is attached for your information.

STEPHEN W. MAYBERG, Ph.D.
Director

Enclosure

c: California Mental Health Planning Council
Chief, Technical Assistance and Training

Senate Bill No. 481

CHAPTER 105

An act to amend Section 1441 of the Code of Civil Procedure, and to amend Section 50050 of the Government Code, relating to escheat.

[Approved by Governor July 17, 1995. Filed with Secretary of State July 18, 1995.]

LEGISLATIVE COUNSEL'S DIGEST

SB 481, Maddy. Escheat of unclaimed property.

Existing law provides that money or other property distributed to the state, as specified, is permanently escheated to the state without further proceeding, subject to specified exceptions for infants and persons of unsound mind.

This bill would specify the provision pursuant to which the time to assert the claims of infants and persons of unsound mind shall be calculated.

Existing law provides that money held by a local agency, as specified, becomes the property of the local agency if not claimed within 3 years, as specified.

This bill would specify that, with respect to certain small estates that escheat to the county treasurer due to lack of beneficiaries, as specified, this 3-year period to claim money held by a local agency is extended for an infant or person of unsound mind until one year from the date his or her disability ceases.

The people of the State of California do enact as follows:

SECTION 1. Section 1441 of the Code of Civil Procedure is amended to read:

1441. Money or other property distributed to the state under Chapter 6 (commencing with Section 11900) of Part 10 of Division 7 of the Probate Code, if not claimed within five years from the date of the order for distribution, as provided in Chapter 3, is permanently escheated to the state without further proceeding; saving, however, to infants and persons of unsound mind, the right to appear and file their claims within the time limited pursuant to Section 1430, or within one year after their respective disabilities cease; provided, however, that any such property shall be conclusively presumed to be permanently escheated to the state as to all persons in favor of a purchaser in good faith and for a valuable consideration from the state and anyone subsequently claiming under that purchaser, saving however, to infants and persons of unsound mind the right of

recourse to the proceeds of any sale or other disposition of that property by the state and as herein provided.

SEC. 2. Section 50050 of the Government Code is amended to read:

50050. For purposes of this article, "local agency" includes all districts. Except as otherwise provided by law, money not the property of a local agency that remains unclaimed in its treasury or in the official custody of its officers for three years is the property of the local agency after notice if not claimed or if no verified complaint is filed and served. At any time after the expiration of the three-year period the treasurer of the local agency may cause a notice to be published once a week for two successive weeks in a newspaper of general circulation published in the local agency. However, with respect to moneys deposited with the county treasurer pursuant to Section 7663 of the Probate Code, this three-year period to claim money held by a local agency is extended for an infant or person of unsound mind until one year from the date his or her disability ceases.

For purposes of this section, "infant" and "person of unsound mind" have the same meaning as given to those terms as used in Section 1441 of the Code of Civil Procedure.

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