



**CITY OF SANTA CLARITA
AGENDA REPORT**

CONSENT CALENDAR

CITY MANAGER APPROVAL:

Ken Stripling

DATE: May 28, 2019

SUBJECT: STATE LEGISLATION: ASSEMBLY BILL 1637

DEPARTMENT: City Manager's Office

PRESENTER: Masis Hagobian

RECOMMENDED ACTION

City Council adopt the City Council Legislative Committee recommendation to support Assembly Bill 1637 (Smith) and transmit position statements to Assembly Member Smith, Santa Clarita's state legislative delegation, appropriate legislative committees, Governor Newsom, and the League of California Cities.

BACKGROUND

California's Unclaimed Property Law requires banks, insurance companies, corporations, and certain other entities to report and submit property to the State Controller's Office (SCO) when there has been no activity on the account for a period (usually three years), and the customer has failed to claim the property after receiving notice from the bank or other business. The SCO then holds the property, posts public notices about the property, and maintains a website that allows individuals and agencies to search for property held in their name.

An unclaimed property may only be returned to an individual or agency, including a local government agency, after a claim is filed with and verified by the SCO. Staff at the City of Santa Clarita (City) regularly monitor the SCO website and file claims when an unclaimed property under the City's name is posted on the site.

However, this bill would allow the SCO to return property held in the name of a state or local agency directly to that agency without the agency having to file a claim. Unlike an individual, there is no question as to the "identity" of a state or local agency.

According to State Controller Betty Yee, the SCO holds 48.1 million unclaimed properties worth an estimated \$9.3 billion owed to individuals and public agencies. This measure will allow the SCO to be more proactive in returning property that it knows belongs to a state or local agency, without requiring the state or local agency to discover this fact and then go through the process of filing a claim.

Assembly Bill 1637 was introduced on February 22, 2019, and passed the Assembly (78-0-2) on April 22, 2019, and ordered to the Senate Committee on Judiciary. Assembly Members Smith and Lackey voted in support of the bill. This bill is scheduled to be heard in the Senate Committee on Judiciary on June 4, 2019.

The City Council Legislative Committee met on May 6, 2019, and recommends that the City Council adopt a “support” position on Assembly Bill 1637.

ALTERNATIVE ACTION

1. Adopt a “neutral” position on Assembly Bill 1637
2. Adopt an “oppose” position on Assembly Bill 1637
3. Take no action on Assembly Bill 1637
4. Refer Assembly Bill 1637 back to the Legislative Committee
5. Other action, as determined by the City Council

FISCAL IMPACT

The resources required to implement the recommended action are contained within the City of Santa Clarita's adopted Fiscal Year 2018-19 budget.

ATTACHMENTS

Assembly Bill 1637 Bill Text