



**BETTY T. YEE**  
California State Controller  
**UNCLAIMED PROPERTY DIVISION**

**Notice to Holders**  
**April 2016**

**NEW LAW CHANGES**  
**Interest on Lawyers' Trust Accounts – Escheated Funds**

This notice is to advise holders of new provisions added to the Unclaimed Property Law, effective January 1, 2016, and to assist holders in complying with these new provisions.

**State Bar of California: Interest on Lawyers' Trust Accounts**

Senate Bill 134 (Chapter 488, Statutes of 2015) adds section 1564.5 to the Unclaimed Property Law. SB 134 requires funds held in Interest on Lawyers' Trust Accounts (IOLTA) that escheat to the State to be deposited into a new Abandoned IOLTA Property Account within the Unclaimed Property Fund. This law provides for an annual transfer to the Public Interest Attorney Loan Repayment Account, administered by the California Student Aid Commission.

**When reporting funds held within an IOLTA, use new property type code TR89.** The dormancy period for properties held in an IOLTA is three years.

**What is an IOLTA?**

An IOLTA is an interest-bearing demand trust account, generally held by attorneys and law firms, established for all client deposits that are nominal in amount or are on deposit for a short period of time. The interest or dividends from an IOLTA are distributed to the State Bar of California's Legal Services Trust Fund Program.

For complete reporting instructions, updated forms, and links to free reporting software, visit the State Controller's website at [http://www.sco.ca.gov/upd\\_rptg.html](http://www.sco.ca.gov/upd_rptg.html). To receive notification of law changes and updates to forms or other publications, subscribe to our email list at: [sco.ca.gov/ucp\\_holder\\_notification\\_email.html](http://sco.ca.gov/ucp_holder_notification_email.html).

For any questions, contact the Reporting Unit at (916) 464-6284 or [UCPReporting@sco.ca.gov](mailto:UCPReporting@sco.ca.gov).