SENATE JUDICIARY COMMITTEE Senator Thomas Umberg, Chair 2021-2022 Regular Session

SB 928 (Wieckowski) Version: February 7, 2022 Hearing Date: March 29, 2022 Fiscal: No Urgency: No AM

SUBJECT

Public administrators: compensation

DIGEST

This bill increases the minimum compensation payable to a public administrator from \$1,000 to \$3,000.

EXECUTIVE SUMMARY

The public administrator, a county employee, investigates and may administer the estates of persons who die without a will or without an appropriate person willing or able to act as administrator of their estate. A public administrator is entitled to a minimum compensation or fee of \$1,000 for administering such estates. This fee cannot be collected until after all debts, taxes, and obligations of the estate are paid. Often, public administrators are unable to collect fees sufficient enough to cover the full costs of their services, with the remainder of the costs to administer these estates being paid from county general funds and therefore the taxpayers. The minimum compensation for public administrators has not been increased since 2004. This bill seeks to defray some of the costs borne by counties in administering these estates by increasing the minimum compensation for public administrators.

The bill is sponsored by the California Association of Public Administrators, Public Guardians, and Public Conservators. The bill is supported by the California State Association of Counties and the Santa Barbara County Board of Supervisors. There is no known opposition.

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PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Authorizes a public administrator to take charge of property of a decedent that is subject to loss, injury, waste, or misappropriation, to locate the next of kin of a decedent, and to petition the court to be appointed personal representative of the decedent's estate in order to effectuate a distribution of the estate and to control disposition of the decedent's remains. (Prob. C. §§ 7600-7666, Health & Saf. C. § 7100.)
- 2) Provides that a public administrator is entitled to compensation for administering an estate in the same manner as a personal representative is under the Probate Code; which is based upon a percentage of the value of the estate. (Prob. C. § 7666(a) & 10800.)
- 3) Provides that the public administrator is entitled to a minimum compensation of \$1,000. (Prob. C. §§ 7666.)

This bill increases the minimum compensation of the public administrator to \$3,000.

COMMENTS

1. Author's Statement

The Author writes:

Public administrators are county employees that manage the estates and make final arrangements for county residents who die without a will or any known relatives willing to act on their behalf. To do so, public administrators collect a minimum fee from the estate to help offset the costs of the service to the county. SB 928 would increase the public administrator fee from \$1,000 to \$3,000. This increase is much needed, as the last fee increase was in 2004 and the previous increase before that was in 1998. The current fee of \$1,000 is often insufficient to cover the full cost of these mandated services, and the remaining costs must be absorbed by county taxpayers through the county general fund. This bill would increase their fee so that less of the cost is absorbed by the county and taxpayers.

2. Public Administrators

Public administrators are officers of a county authorized under the Probate Code to take possession or control of property of a decedent that is subject to loss, injury, waste, or misappropriation. They are required to attempt to locate the will and next of kin of a decedent and instructions for disposition of the decedent's remains. If no other appropriate person exists or is willing or able to administer the decedent's estate, the public administrator is required to petition the court to be appointed personal representative of the decedent's estate in order to effectuate a distribution of the estate and to control disposition of the decedent's remains.

Compensation cannot be collected until after all debts, taxes, and obligations are paid. Though the public administrator is entitled to a percentage of the estate as compensation in the same manner as a personal representative, in many cases the value of the estates being administered by the public administrator, after debts, taxes, and obligations are paid, are insufficient to cover the costs of administering the estate. According to the California Association of Public Administrators, Public Guardians, and Public Conservators, the sponsor of the bill, an informal survey of five counties of various size and location throughout California found that in 2018 public administrators collected approximately 12 percent of their costs from the estates they administered. This means that 88 percent of the costs associated with administering estates by public administrators in those counties that responded were paid for through the county general fund. Increasing the minimum compensation public administrators are entitled to could help defray some of the cost burden on counties.

3. Statements of Support

The California Association of Public Administrators, Public Guardians, and Public Conservators, the sponsor of the bill, writes:

[...] A Public Administrator manages estates and makes final arrangements for county residents who die without a will or any known relatives able or willing to act on the decedent's behalf to manage and resolve the estate. Working through appropriate methods of probate, the Public Administrator manages the estate until proper distribution is completed.

Public administrators are employed by counties and the minimum fee collected from the estate represents a small percentage of the costs counties incur to operate these programs, which are mandated services.

The estates managed by Public Administrators are rarely large enough, and debts small enough, to allow Public Administrators to collect fees sufficient to cover the full costs of their services. In fact, an informal survey of five counties of various size and location throughout California found that in 2018 Public Administrators collected approximately 12% of their costs from the estates they administrated. That means the county taxpayers – through the county general fund - paid for approximately 88% of the costs associated with administrating estates. SB 928 (Wieckowski) Page 4 of 4

The last increase to the minimum fee was in 2004 through AB 2687 (Canciamilla) and the previous increase before that was in 1998. These Public Administrator's fees can only be collected after all debts, taxes, etc. are dispensed with. In many cases, the estate is too small or other debts take precedent, leaving no money to pay the Public Administrator.[...]

SUPPORT

California Association of Public Administrators, Public Guardians, and Public Conservators (sponsor) California State Association of Counties Santa Barbara County Board of Supervisors

OPPOSITION

None known

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation:

SB 919 (Wieckowski, 2020) would have raised the minimum compensation payable to a public administrator from \$1,000 to \$1,600 and would have required the Judicial Council to increase that minimum compensation based on the California Consumer Price Index every 3 years. The bill was held in the Senate Judiciary Committee.

AB 2687 (Canciamilla, Ch. 888, Stats. 2004) revised and recast provisions relating to public administrators and raised the minimum compensation payable to a public administrator from \$750 to \$1,000.

SB 1487 (Rainey, Ch. 103, Stats. 1998) raised the minimum compensation payable to a public administrator from \$600 to \$750.
