

ANALYSIS OF AMENDED BILL

Author: Alquist Analyst: Kristina E. North Bill Number: SB 1249
 Related Bills: See Legislative History Telephone: 845-6978 Amended Date: August 7, 2006
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT:	Voluntary Contribution Funds/Change In Year When The \$250,000 Minimum Contribution Amount Must Be Met
-----------------	--

SUMMARY

This bill would do both of the following:

- Fix the minimum contribution requirement for the California Fund for Senior Citizens at \$250,000.
- Make changes to the application of the minimum contribution amounts for twelve funds.

SUMMARY OF AMENDMENTS

The August 7, 2006, amendments would make the following changes:

- Specifies, for each fund listed below, the first year the minimum contribution amount must be met, the year the minimum contribution amount begins to be adjusted for inflation, and the repeal date for the fund:

<u>Fund</u>	<u>Meet \$250,000</u>	<u>Adjust for Inflation Year</u>	<u>Repeal Date</u>
California Military Family Relief Fund	2006	2007	January 1, 2010
Veterans' Quality of Life Fund	2007	2008	January 1, 2011
California Prostate Cancer Research Fund	2006	2007	January 1, 2010
Sexual Violence Victim Services Fund	2007	2008	January 1, 2011
California Colorectal Cancer Fund.	2007	2008	January 1, 2011

- Requires FTB to make the following two determinations for each fund beginning September 1, 2006, and by September 1 of each subsequent calendar year:
 1. The minimum contribution amount required for the fund to remain on the return for the following calendar year.
 2. Whether estimated contributions to the fund will be less than the minimum contribution amount for that calendar year.

Board Position: _____ S _____ NA _____ NP _____ SA _____ O _____ NAR _____ N _____ OUA _____ X PENDING	Department Director Date Selvi Stanislaus by 8/31/06 Lynette Iwafuchi
---	---

- Repeals a fund if the fund fails to meet the minimum contribution amount for a calendar year, effective as of January 1st of that calendar year.
- Defines “minimum contribution amount” for a calendar year as \$250,000 or an inflation adjusted amount.
- Specifies the repeal of two funds - the California Military Family Relief Fund and the California Prostate Cancer Research Fund - if by September 1, 2006, FTB determines that the amount of contributions estimated to be received by each of these funds before December 31, 2006, will fail to meet the \$250,000 minimum contribution amount.
- Requires FTB to provide written notification to contacts specified below of the minimum contribution amount required for each of the following funds to remain on the return for the next calendar year:

<u>Fund</u>	<u>Contact</u>
California Military Family Relief Fund	The Adjutant General
State Children’s Trust Fund for the Prevention of Child Abuse	Department of Social Services
California Fund for Senior Citizens	California Senior Legislature
Rare and Endangered Species Preservation Program Fund	Department of Fish and Game
California Alzheimer’s and Related Disorders Research Fund	Secretary of California Health and Human Services
California Breast Cancer Research Fund	University of California
California Peace Officer’s Memorial Foundation Fund	California Peace Officer Memorial Commission
Veterans’ Quality of Life Fund	Department of Veterans Affairs
California Prostate Cancer Research Fund	California Coalition to Cure Prostate Cancer
California Sexual Violence Victim Services Fund	California Coalition Against Sexual Assault
California Colorectal Cancer Prevention Fund	State Department of Health Services
Emergency Food Assistance Program Fund	State Department of Social Services

- Specifies that each voluntary contribution fund that appeared on the 2005 personal income tax return and was subject to a minimum contribution amount for that year would be subject to the same minimum contribution amount for the 2006 calendar year.
- Changes the year the minimum contribution amount is adjusted for inflation from 1992 to 2001 for the California Alzheimer’s and Related Disorders Research Fund.
- Makes other technical changes that would not impact the department.

The remainder of the department’s analysis of the bill as amended March 23, 2006, would still apply.

PURPOSE OF THE BILL

The purpose of this bill is to preserve the primary source of income for the California Senior Legislature, which is funded by the California Fund for Senior Citizens, and provide fiscal year predictability for the recipients of the other voluntary contribution funds.

EFFECTIVE/OPERATIVE DATE

This bill contains an urgency clause and would be effective and operative immediately upon enactment.

POSITION

Pending.

ANALYSIS

STATE LAW

Current law requires the department to estimate by September 1 of each year if a fund is projected to receive the required minimum contribution amount for that year. To make the estimate, the department uses the actual amount known to be contributed to each fund, combined with a projection of the remaining year's contributions. If a fund is not estimated to receive the minimum requirement, the fund is removed from the return for that calendar year and may be replaced with another legislatively authorized fund.

Under current law, the California Military Family Relief Fund, the Veterans' Quality of Life Fund, the California Prostate Cancer Research Fund, the Sexual Violence Victim Services Fund, and the California Colorectal Cancer Fund do not specify a year the fund would first appear on the return, an inflation adjustment, or a repeal year. Each of these funds contain queuing language that allowed them to go on the return if either another existing fund was removed or FTB determined room existed on the return.

IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not significantly impact the department's programs or operations.

ECONOMIC IMPACT

This bill would not impact the state's income tax revenue.

LEGISLATIVE STAFF CONTACT

Kristina E. North
Franchise Tax Board
(916) 845-6978
Kristina.North@ftb.ca.gov

Brian Putler
Franchise Tax Board
(916) 845-6333
Brian.Putler@ftb.ca.gov