

**SUMMARY ANALYSIS OF AMENDED BILL**

Author: Keene Analyst: Darrine Distefano Bill Number: AB 2591  
 Related Bills: See Prior Analysis Telephone: 845-4142 Amended Date: June 20, 2006  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** State Agencies Submit to Department Of Finance Annual Report On Status Of Liquidated And Delinquent Accounts And Efforts By Agency To Collect Those Accounts

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended May 26, 2006.
- AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the prior analysis of bill as amended May 26, 2006.
- FURTHER AMENDMENTS NECESSARY.
- DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.
- REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED May 26, 2006, STILL APPLIES.
- OTHER – See comments below.

**SUMMARY**

This bill would require state agencies to submit an annual report to the Department of Finance (DOF) on the status of liquidated and delinquent accounts.

**SUMMARY OF AMENDMENTS**

The June 20, 2006, amendments would make the following change:

- Require each state agency to submit to DOF an aggregate beginning and ending balance of all liquidated and delinquent accounts, instead of a beginning and ending balance of each account type.

The June 20, 2006, amendments resolve one of the department's implementation considerations. The remaining implementation considerations from the bill as amended May 26th, April 4th, and as introduced February 24th are repeated below for convenience. The Fiscal Impact is repeated below for convenience as well.

Board Position:	Legislative Director	Date
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The remainder of the department's analysis of this bill as introduced February 24, 2006, is still applicable.

## **POSITION**

Pending.

## **ANALYSIS**

### **IMPLEMENTATION CONSIDERATIONS**

Below is the concern from the May 26, 2006, analysis:

According to the author's staff, the intent of the phrase "a summary of the total" is a report to DOF with the combined total of all liquidated and delinquent accounts. The phrase appears to conflict with the bill's requirement to report each individual item to DOF. Department staff is available to assist the author with language if requested.

Below is the concern from the April 4, 2006, analysis:

While the bill defines the term "liquidated," the term needs to be further clarified. Franchise Tax Board (FTB) uses the terms "discharged," "collected," and "written off" to describe accounts. To avoid redundancy and ambiguity, the department would like further clarification of the term "liquidated" in order to provide the identity, description, and status of the department's accounts as required under the bill.

Below are the concerns from the February 24, 2006, analysis:

It is unclear if the report requires each liquidated and delinquent account to be identified by some distinctive method. The author may wish to clarify how each account is to be identified to avoid the disclosure of sensitive or confidential information such as taxpayer name or social security number.

According to the author's office, the accounts that are to be included in this report are those that are defined in Section 8776 of the State Administrative Manual (SAM). SAM Section 8776 - *Accounts Receivable* is defined as a claim against a person, firm, corporation, or other entity for money owed to the State. The author may wish to add language that references Section 8776 of SAM to clarify the types of accounts to be listed in the report.

## **FISCAL IMPACT**

As stated in the February 24, 2006, analysis, the department anticipates that one-time programming and information technology resources will be needed to develop the report. Department costs would be minor and can be absorbed by the department.

## **LEGISLATIVE STAFF CONTACT**

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