

SUMMARY ANALYSIS OF AMENDED BILL

Author: Torlakson Analyst: Deborah Barrett Bill Number: AB 1175
 Related Bills: See Prior Analysis Telephone: 845-4301 Amended Date: June 1, 2009
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Offsets/Nonpayment Of Bridge Toll Or High Occupancy Toll Lane Fees

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.
- AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as amended April 14, 2009.
- FURTHER AMENDMENTS NECESSARY.
- DEPARTMENT POSITION CHANGED TO _____.
- REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED April 14, 2009, STILL APPLIES.
- OTHER – See comments below.

SUMMARY

This bill would allow debts owed for nonpayment of bridge tolls or high occupancy toll lane fees to be referred for the Interagency Offset Program that Franchise Tax Board administers on behalf of the State Controller.

This bill contains provisions related to seismic retrofit projects for specified bridges that do not impact the department and are not discussed in this analysis.

SUMMARY OF AMENDMENTS

The June 1, 2009, amendments would clarify the priority for payment of the debts referred for offset under this bill and would remove allocation requirements for multiple offset requests on the same debtor. The June 1, 2009, amendments did not address a “Technical Consideration” identified in the department’s analysis of the bill as amended April 14, 2009, which is repeated below for convenience. The “This Bill,” “Implementation Considerations,” and “Fiscal Impact” discussions are revised. The remainder of the department’s analysis of the bill as amended April 14, 2009, still applies.

Board Position:	Asst. Legislative Director	Date
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<input checked="" type="checkbox"/> PENDING	Patrice Gau-Johnson	06/12/09

POSITION

Pending.

THIS BILL

This bill would authorize the Controller to offset any state income tax refund or state lottery winnings to pay any amount owed for overdue and unpaid bridge toll or high-occupancy toll lane fee, including any interest, fine, penalty, bail, or collection fee due to a government entity from a person or entity.

The bill would provide that the Controller shall set the standards and procedures for submission of requests for offset. The bill would provide that the debt referred by the government entity would rank with cities and counties in the priority of agency offset requests if insufficient funds are available to satisfy all offset requests.

The bill would require any request for offset under these provisions to be submitted within three years of the date the bridge toll or high-occupancy toll lane fee was due.

The bill would authorize the Controller to deduct and retain from any amount offset an amount sufficient to reimburse the Controller, the Franchise Tax Board, the California State Lottery, and the Department of Motor Vehicles for their administrative costs of processing the offset payment.

IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not impact department programs or operations.

TECHNICAL CONSIDERATIONS

On page 4, line 11, the reference to "Bank and Corporation Tax Law" should be changed to read Corporation Tax Law.

FISCAL IMPACT

This bill would require reprogramming of the existing accounting system to add this class of debts to the offset program for Personal Income Tax refunds. Corporation tax refunds are not subject to the requirements of the Controller's offset program. These changes can be made in the course of the department's annual updates; the costs would be absorbable.

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