

ANALYSIS OF ORIGINAL BILL

Franchise Tax Board

Author: Anderson Analyst: Deborah Barrett Bill Number: AB 783
Related Bills: None Telephone: 845-4301 Introduced Date: February 26, 2009
Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: All Statutorily Created State Agencies, Boards, & State Commissions Funded By General Fund Revenues Except For FTB Shall Be Repealed January 1, 2022

SUMMARY

This bill would repeal all statutorily created state agencies, boards, and commissions funded by General Fund Revenues except for Franchise Tax Board (FTB) by January 1, 2022.

PURPOSE OF THE BILL

It appears that the purpose of the bill is to eliminate mandatory funding for agencies, boards, and commissions created by statute but not justified in the costs associated in running them.

EFFECTIVE/OPERATIVE DATE

If passed in the first year of the two-year session, this bill would be effective January 1, 2010, and would be specifically operative as of January 1, 2022.

POSITION

Pending.

ANALYSIS

STATE LAW

In California, most laws are enacted, repealed, or amended through bills that have been approved by elected members of both houses in the Legislature (the Senate and Assembly) and signed by the Governor.

Board Position:

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Department Director

Date

Selvi Stanislaus

04/22/09

California has approximately 339 boards and commissions that have appointed members¹. While used interchangeably in California, the distinction between boards and commissions is generally that boards have part-time citizen appointees, and commissions have full-time appointees with expertise in the subject matter concerning the board or commission. A few California boards and commissions derive their authority from the state constitution; most are created by statute. Some are advisory to the governor or other constitutional officers, or to the legislature, and others have true policy making and regulatory powers.

PROGRAM BACKGROUND

FTB uses many different sources of information to administer the state income tax law, including licensing information from occupational and professional licensing boards. Information derived from these sources assists FTB in verifying income and filing requirements for state income tax returns.

THIS BILL

This bill would repeal all statutorily created agencies, boards, and commissions by January 1, 2022, with the express exception of the FTB.

IMPLEMENTATION CONSIDERATIONS

It is unclear what will happen to the functions performed by the agencies, boards, and commissions that would be repealed by this bill's provisions, and whether the data that is used extensively by FTB would be available through a different source. Disruptions to the flow of data would significantly impair FTB's ability to administer the state income tax law. It is recommended that the author specify how the functions of the repealed agencies, boards, and commissions would be handled to assess the impacts to FTB.

FISCAL IMPACT

The provisions of this bill could have significant impact on department programs and operations if the existing data streams are disrupted. A fiscal impact cannot be determined until the implementation concern identified above is resolved.

ECONOMIC IMPACT

The revenue impact on Personal Income or Corporation tax revenues cannot be determined until the implementation concern identified is resolved.

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¹ California Performance Review