

State of California

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<b>Legislative Change No.</b>	<b>10-23</b>
Bill Number: <u>SB 856</u>	Author: <u>Senate Committee On Budget And Fiscal Review</u> Chapter Number: <b>10-719</b>
Laws Affecting Franchise Tax Board:	<u>Sections 926.19, 927, 927.3, 927.6, 927.7, 927.9, 927.13, and 11546.4, of the Government Code; Section 62.9 of the Labor Code; Section 19558 of the Revenue and Taxation Code; and Section 1900 of the Unemployment Insurance Code</u>
Date Filed with the Secretary of State:	<u>October 19, 2010</u>

**SUBJECT:** California Prompt Payment Act/Collection Of DIR's Delinquent Assessments/FTB Disclosure Of Tax Return Information To PERS For Data Required For Early Retiree Reinsurance Program/Statutory Changes Made Necessary By Gov Reorg Plan #1 Of 2009

**Senate Bill 856 (Senate Committee on Budget and Fiscal Review), as enacted on October 19, 2010, made the following changes to laws impacting the Franchise Tax Board (FTB):**

Section 926.19 of the Government Code (GC) is repealed and reenacted in GC Section 927.13.

This act repeals Section 926.19 of the Government Code, relating to prompt payment of certain non-tax refund amounts by state agencies and reenacts these provisions in Government Code section 927.13.

Sections 927, 927.3, 927.6, 927.7, and 927.9 of the GC are amended.

Section 927 is amended to provide that refunds or undisputed payments due to individuals be paid within 45 days of receipt or notification, or late payment penalties with be automatically calculated and paid.

Section 927.3 is amended to specify that undisputed invoices shall be submitted for payment and to specify dates a notice of refund or payment is due to the Controller.

Sections 927.6 and 927.7 are amended to change penalty calculations.

Section 927.9 is amended to clarify reporting requirements.

Assistant Bureau Director  
Patrice Gau-Johnson

Date  
11/01/10

Section 11546.4 is added to the Government Code.

This act requires any service contract proposed to be entered into by an agency that contains an information technology component to 1) be subject to oversight by the office of the Chief Information Officer (CIO) and 2) allow for reimbursement of the costs associated with CIO review.

Section 62.9 of the Labor Code is amended.

This act allows the director of the Department of Industrial Relations (DIR) to include the costs of collection by the FTB or another agency or department in the assessments as specified by Government Code Section 62.7.

Section 19558 of the Revenue and Taxation Code is amended.

This act allows the FTB until June 30, 2016, to provide the Public Employees Retirement System the name, address, and other identification or location information from tax returns for the purpose of filing required data pursuant to the Early Retiree Reinsurance Program.<sup>1</sup>

Section 1900 of the Unemployment Insurance Code is added.

This act expands the existing authority of the Director of the DIR to refer unpaid assessments and penalties to the Employment Development Department.

This act is effective and operative immediately upon enactment.

This act will not require any reports by the department to the Legislature.

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<sup>1</sup> Sec.1102, Public Law 111-148; 42 U.S.C. Sec.18002, Part 149 of Title 45 of the Code of Federal Regulations.