

BILL ANALYSIS

Department, Board, Or Commission	Author	Bill Number
Franchise Tax Board	Monning	AB 971

SUBJECT

California Sea Otter Fund/Reenact

SUMMARY

This bill would reenact the California Sea Otter Fund.

PURPOSE OF BILL

According to the legislative findings in this bill, the purpose is to continue to provide crucial funding to help scientists examine and understand causes of sea otter mortality, identify key factors limiting population growth and recovery, and work cooperatively and collaboratively with stakeholders to help mitigate and prevent environmental degradation and pollution of the near-shore marine ecosystem.

EFFECTIVE/OPERATIVE DATE

This bill would be effective and operative on January 1, 2012.

ANALYSIS

FEDERAL/STATE LAW

Current federal tax law provides a check-off to direct \$3 of a taxpayer's tax liability to the Presidential Campaign Fund. Designation of the \$3 amount does not affect a taxpayer's tax liability or refund amount.

Current state tax law allows taxpayers to make contributions of their own funds (not tax liability) on their 2010 state personal income tax returns (returns) to the California Sea Otter Fund (fund).

This fund would remain on the return until the fund is repealed or fails to meet its minimum contribution amount. The sunset date for the fund was January 1, 2011. As a result, the fund has been repealed and will not appear on the 2011 return.

THIS BILL

This bill would reenact the California Sea Otter Fund that is to be considered and treated as a continuation of the California Sea Otter Fund that was repealed on January 1, 2011. Further, this bill would extend the sunset date of the fund to from January 1, 2011, to January 1, 2016.

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LEGISLATIVE HISTORY

AB 233 (Hall, 2011/2012) would establish the California YMCA Youth and Government Fund as a voluntary contribution fund. This bill has been held in the Senate Governance and Finance Committee.

AB 564 (Smyth, 2011/2012) would re-establish the Municipal Shelter Spay-Neuter Fund as a voluntary contribution fund, originally established by AB 2291 (Mendoza, Stats. 2008, Ch. 328). This bill has been ordered to a third reading on the Senate Floor.

AB 764 (Swanson, 2011/2012) would establish the Child Victims of Human Trafficking Fund as a voluntary contribution fund. This bill has been ordered to a third reading on the Senate Floor.

SB 164 (Simitian, 2011/2012) would extend the repeal date of both the State Children’s Trust Fund and the Fish and Game Preservation Fund to January 1, 2018. This bill is currently in the Assembly Appropriations Committee.

SB 583 (Vargas, 2011/2012) would re-establish the Amyotrophic Lateral Sclerosis/Lou Gehrig’s Disease Research Fund as a voluntary contribution fund, originally established by SB 1502 (Steinberg, Stats. 2008, Ch. 354). This bill is currently in the Assembly Appropriations Committee.

SB 803 (Vargas, 2011/2012) would establish the California Youth Leadership Fund. This bill is currently in the Senate Appropriations Committee.

SBX1 3 (La Malfa, 2011/2012) would establish the Help Our State Fund as a voluntary contribution fund. This bill is currently in the Assembly.

PROGRAM BACKGROUND

Since 2007, the fund has received the following total annual contributions:

2007	2008	2009	2010	2011 (thru 07/2011)
\$255,088	\$294,966	\$245,145	\$263,543	\$327,056

This fund last appeared on the 2010 tax return.

OTHER STATES' INFORMATION

The states surveyed include: *Illinois, Massachusetts, Michigan, Minnesota, and New York*. These states were selected due to their similarities to California's economy, business entity types, and tax laws.

Illinois allows taxpayers to designate personal funds to the Wildlife Preservation Fund on the state personal income tax return.

Massachusetts allows taxpayers to designate personal funds to the Endangered Wildlife Conservation fund on the state personal income tax return.

Michigan allows for taxpayer contribution designations on the personal income tax return; however, it does not provide a voluntary contribution comparable to the one discussed in this bill.

Minnesota allows taxpayers to designate personal funds to the Nongame Wildlife Fund on the state personal income tax return.

New York allows taxpayers to designate personal funds to the Return a Gift to Wildlife Fund on the state personal income tax return.

FISCAL IMPACT

This bill would not impact the department's costs.

ECONOMIC IMPACT

Revenue Estimate

This bill would result in the following revenue losses:

Estimated Revenue Impact of AB 971 For Contributions Made After January 1, 2012 Enactment Assumed After June 30, 2011		
2011-12	2012-13	2013-14
N/A	-\$20,000	-\$20,000

This estimate does not consider the possible changes in employment, personal income, or gross state product that could result from this bill.

APPOINTMENTS

None.

SUPPORT/OPPOSITION¹

Support: Defenders of Wildlife (Co-sponsor); Monterey Bay Aquarium (Co-sponsor); Aquarium of the Pacific; Cal Coast; California Coastkeeper Alliance; Environmental Defense Fund; Friends of the Sea Otter; Heal the Bay; NRDC; Oceana; Paw PAC; Planning and Conservation League; Robert Down Elementary School Fifth Graders in Pacific Grove, California; Save Our Shores; Seventh Generation Advisors; Sierra Club California; Temple Beth El Second Graders in Aptos, California; The Otter Project; WILDCOAST/COASTASALVAJE; two individuals.

Opposition: None provided.

VOTES

Assembly Floor	05/31/11	Y: 72	N: 3
Senate Floor	08/22/11	Y: 33	N: 3

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¹ As provided in the Senate Governance and Finance Committee's Analysis of the bill as amended April 25, 2011.