

Franchise Tax Board

ANALYSIS OF AMENDED BILL

Author: Calderon and Ammiano Analyst: Dawn Hadid Bill Number: AB 508
Related Bills: See Legislative History Telephone: 845-3391 Introduced Date: February 20, 2013 Amended Date: April 9, 2013
Attorney: Patrick Kusiak Sponsor:

SUBJECT: Court Ordered Debt Collection/Homeless Veterans

SUMMARY

Under the Penal Code this bill would prohibit courts from garnishment against homeless veterans for specific citations.

RECOMMENDATION

No position.

Summary of Amendments

As introduced on February 20, 2013, this bill would prohibit courts from garnishment against homeless veterans, as discussed in this analysis.

The April 9, 2013, amendments revised provisions of the bill relating to the start of garnishment suspension and the courts authority to garnish after homelessness is determined, added a coauthor, and made nonsubstantive, technical changes.

This is the department's first analysis of the bill. This analysis only addresses the provisions of this bill that impact the department's programs and operations.

REASON FOR THE BILL

The reason for the bill is to discourage garnishment of homeless veterans in order to allow them time to obtain housing through their own means.

EFFECTIVE/OPERATIVE DATE

As an administrative measure, this bill would be effective and operative on January 1, 2014.

ANALYSIS

STATE LAW

Under current state law, fees, penalties, bail, specified legal costs, forfeitures, restitution orders, fines, or certain amounts imposed by a superior or municipal court or governmental entity in California and delinquent for 90 days or more can be referred by the court or government entity to the Franchise Tax Board (FTB) for collection.

Table with Board Position (S, SA, N, NA, O, OUA, NP, NAR) and Executive Officer (Selvi Stanislaus) and Date (6/6/13).

Current state law authorizes the FTB to use administrative collection tools to collect delinquent tax and nontax debt liabilities. Collection actions include, but are not limited to, attaching bank accounts and garnishing wages.

Current state law prohibits courts from garnishing wages or levying a bank account of a homeless youth under age 25 for unpaid citations related to truancy, loitering, curfew violations, or illegal lodging until the youth is at least 25 years old if a court obtains information indicating that the youth is homeless or has no permanent address and the youth remains identified as homeless.

THIS BILL

This bill would prohibit a court from garnishing the wages or levying of the bank accounts of homeless veterans for unpaid citations related to loitering, curfew violations, or illegal lodging if a court obtains information indicating that the person is homeless or has no permanent address and had served in the military within the last eight years.

This bill would suspend garnishment of wages or levying of bank accounts for the indicated homeless veteran for five years from the date the court obtained the information, so long as the person remained indicated as homeless.

This bill would define a person as “homeless” or as having “no permanent address” as lacking a fixed, regular, adequate nighttime residence, or has the following primary nighttime residence:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations.
- An institution that provides a temporary residence for individuals intended to be institutionalized.
- A public or private place not designed for regular sleeping accommodation for human beings.

IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not impact the department’s programs and operations.

LEGISLATIVE HISTORY

AB 1111 (Fletcher, et al., Chapter 466, Statutes of 2011) prohibits courts from garnishing the wages or levying a bank account of a homeless youth for specific citations until the youth is at least 25 years old or is no longer homeless.

OTHER STATES’ INFORMATION

The states surveyed include *Florida, 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.

None of these states has a law comparable to the one proposed by this bill.

FISCAL IMPACT

This bill would not impact the department's costs.

ECONOMIC IMPACT

The bill as amended April 9, 2013, would not impact the state's income or corporation tax revenues but would impact a special fund (court collection account) for court-ordered debt collection. Data available to the department lacks the detail required to estimate this bill's impact on the court collection account.

SUPPORT/OPPOSITION¹

Support: National Association of Social Workers- Ca Chapter, AMVETS- Department of California, VFW- Department of California, and Vietnam Veterans of America, California State Council.

Opposition: None provided.

ARGUMENTS

Proponents: Supporters could argue that delaying the collection of certain fines may help homeless veterans focus their resources on obtaining permanent housing.

Opponents: Some could argue that this bill fails to go far enough as all citations received as a result of being homeless should be completely excused.

LEGISLATIVE STAFF CONTACT

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¹ As provided by Assembly Member Ian C Calderon's AB 508 Fact Sheet as of April 18, 2013.