

BILL ANALYSIS

Department, Board, Or Commission	Author	Bill Number
Franchise Tax Board	Calderon and Ammiano	AB 508

SUBJECT

Court Ordered Debt Collection/Homeless Veterans

SUMMARY

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

REASON FOR THE BILL

The reason for the bill is to prevent the garnishment of wages or the levying of bank accounts 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.

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 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.

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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” if the person lacks a fixed, regular, adequate nighttime residence, or has one of the following as a 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.

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

This bill 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.

APPOINTMENTS

None.

SUPPORT/OPPOSITION¹

Support: National Association of Social Workers- Ca Chapter, AMVETS- Department of California, VFW- Department of California, Vietnam Veterans of America, California State Council, California Public Defenders Association, Housing California, and Taxpayers for Improving Public Safety.

Opposition: None provided.

VOTES

Assembly Floor	04/22/13	Y: 77	N: 0
Senate Floor	08/15/13	Y: 37	N: 0

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¹ As noted in the Senate Committee on Public Safety AB 508 bill analysis dated May 13, 2013.