

# ANALYSIS OF ORIGINAL BILL

Author: Mitchell Analyst: Janet Jennings Bill Number: SB 941  
 See Legislative  
 Related Bills: History Telephone: 845-3495 Introduced Date: February 3, 2016  
 Attorney: Bruce Langston Sponsor \_\_\_\_\_

|                 |                                                        |
|-----------------|--------------------------------------------------------|
| <b>SUBJECT:</b> | Court Ordered Debt/Juvenile Court Collection Referrals |
|-----------------|--------------------------------------------------------|

## SUMMARY

This bill would modify provisions of the Government, Penal, and Welfare and Institutions Codes relating to minors.

This bill would also modify the Revenue and Taxation Code to eliminate language made obsolete by these changes.

The discussion in this analysis is limited to the changes that would affect the department.

## RECOMMENDATION

No position.

## REASON FOR THE BILL

The reason for the bill is to alleviate the burden of juvenile court debts on parents or guardians.

## EFFECTIVE/OPERATIVE DATE

This bill would become effective on January 1, 2017, and operative for referrals of collections for fines or restitution to the Franchise Tax Board (FTB) on or after that date.

## STATE LAW

Under current state law, fees, penalties, bail, specified legal costs, forfeitures, certain restitution orders, fines, or certain amounts imposed by a superior, or juvenile court or governmental entity in California totaling no less than \$100, and delinquent for 90 days or more can be referred by the court or government entity to the 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.

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| Board Position: | S  | NA  | X | NP  | Executive Officer | Date    |
|                 | SA | O   |   | NAR | Selvi Stanislaus  | 2/26/16 |
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## **THIS BILL**

This bill would eliminate the imposition of certain court ordered fees on minors under provisions of the Government and Penal Codes, and would repeal the provision of the Welfare and Institutions Code (Section 903.1) establishing joint liability on amounts due pursuant to an order of the juvenile court. As a result, the reference to Section 903.1 of the Welfare and Institutions Code in the Revenue and Taxation Code would be removed.

## **IMPLEMENTATION CONSIDERATIONS**

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

## **LEGISLATIVE HISTORY**

SB 1210 (Lieu, Ch. 762, Stats. 2012) authorized the referral of delinquent fines, state and local penalties, forfeitures, restitution fines and orders, and other amounts imposed by a juvenile court to the FTB for collection.

SB 647 (Committee on Judiciary, Ch. 208, Stats. 2011) authorized the FTB to collect specified legal costs relating to an order of the juvenile court. Specified legal costs include the costs for counsel appointed to represent parents or minors pursuant to dependency proceedings.

AB 273 (Anderson, 2009/2010) would have eliminated the minimum balance thresholds on debts referred for collection by the FTB, and provide for additional collection costs of the courts to be added to the amounts referred to FTB, and would make the referrals mandatory for superior courts. AB 273 failed to pass by the constitutional deadline.

SB 556 (Committee on Judiciary, Ch.596, Stats. 2009) added bail as a debt type authorized for referral to the FTB for collection.

## **OTHER STATES' INFORMATION**

Since this bill would modify the court ordered debts that could be referred to the department for collection, a review of other states' income tax laws would not be relevant.

## **FISCAL IMPACT**

This bill would not impact department costs.

## **ECONOMIC IMPACT**

This bill would not impact state income tax revenues.

## **SUPPORT/OPPOSITION**

Support: None on file.

Opposition: None on file.

## **ARGUMENTS**

Proponents: Some may say creating a joint liability for debts owed by a minor as a result of a juvenile court order is overly punitive and should be stopped.

Opponents: Some may say that the impact of juvenile activity on the community is equivalent to the impact similar activity would have when engaged in by an adult, thus the consequences of such activity should be similar.

## **LEGISLATIVE STAFF CONTACT**

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