SCS Agency
Franchise Tax Board

SUMMARY ANALYSIS OF AMENDED BILL

Author: Alquist | Analyst: Gloria McConnell | Bill Number: AB 1666

Related Bills: _____ | Telephone: 845-4336 | Amended Date: 04/13/98

Attorney: Doug Bramhall | Sponsor:

SUBJECT: Child Support Compliance Act of 1998/State Contracts

_____ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

_____ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

_____ AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

_____ FURTHER AMENDMENTS NECESSARY.

_____ DEPARTMENT POSITION CHANGED TO _____.

_____ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED/AMENDED _____ STILL APPLIES.

_X_ OTHER - See comments below.

SUMMARY OF BILL

Under this bill, the Franchise Tax Board (FTB) and other state agencies that contract for services would have to require the contractor (vendor) to acknowledge in every written contract that it is complying with the earnings assignment orders of all employees and is providing the names of all new employees to the Employment Development Department (EDD).

Additionally under this bill, FTB, as a state agency, would have to provide, as well as have the authority to receive from each state agency, data about its employees, licensees, contractors and vendors for purposes of administering FTB's child support collection programs.

SUMMARY OF AMENDMENT

This amendment would remove the previously proposed requirement that the vendor disclose in separate confidential documents, forwarded by the public entity to the Department of Social Services (DSS), the names and addresses of their employees who are subject to earnings assignment orders. Also, this amendment removes the previously proposed requirement that DSS confirm the contractor's compliance with the disclosure.

DEPARTMENTS THAT MAY BE AFFECTED:

____ STATE MANDATE ____ GOVERNOR'S APPOINTMENT

Board Position:	Agency Secretary Position:	GOVERNOR'S OFFICE USE
____ S ____ O	____ S ____ O	Position Approved ____
____ SA ____ OUA	____ SA ____ OUA	Position Disapproved ____
_X_ N ____ NP	____ N ____ NP	Position Noted ____
____ NA ____ NAR	____ NA ____ NAR	
_____ PENDING	DEFER TO _____	
Department/Legislative Director Date	Agency Secretary Date	By: Date:
Johnnie Lou Rosas 4/27/98		

Implementation Consideration

With the removal of the previously proposed requirements that contractors disclose certain information, the implementation considerations previously raised are resolved. However, a related provision remains in the bill, requiring state agencies to provide data regarding contractors and vendors to the California Parent Locator Service and the FTB, upon request, for child support purposes. Given that under this bill, contractors would no longer be required to disclose information, it appears that the sharing of contractor or vendor information (page 6, lines 25 and 26) would no longer be applicable. However, if this provision remains in the bill because the author intends that each state agency make its contract/vendor information available on an automated data base which could be routinely accessed in the event California Parent Locator Service or FTB makes a request, this should be clarified. State agencies, including the FTB, undoubtedly would incur additional costs.

Technical Consideration

Currently, Section 11478.5(a)(10) of the Welfare and Institutions Code, which is amended by this bill, makes reference to Section 19285.1 of the Revenue and Taxation Code (RTC). This RTC section was renumbered to Section 19548 effective January 1, 1994; therefore, reference to Section “19285.1” should be amended to read “19548.”