

ANALYSIS OF ORIGINAL BILL

Franchise Tax Board

Author: Leach Analyst: Roger Lackey Bill Number: ACA 6

Related Bills: AB 590, ACA 8
(1999) Telephone: 845-3627 Introduced Date: January 21, 1999

Attorney: Doug Bramhall Sponsor: _____

SUBJECT: State Budget/Two-Year Budget

SUMMARY

This measure would amend the California Constitution to provide that the budget would be submitted by the Governor biennially for approval by the Legislature.

This analysis will address this bill only as it impacts the Franchise Tax Board (FTB).

EFFECTIVE DATE

This bill would be effective upon the vote of the people of California and specifies that it applies to fiscal years beginning on or after July 1, 2001.

SPECIFIC FINDINGS

State law provides that for each ensuing fiscal year the Governor submit a proposed budget to the Legislature within the first ten days of each calendar year, and requires that the Legislature enact a budget bill by June 15th of that year. Upon the budget bill's passage, the Governor has until July 1 of that year to sign the budget bill into law.

This measure would provide that the Governor within the first ten days of each odd-numbered calendar year shall submit to the Legislature a budget for the two-year fiscal period commencing on July 1 of that odd-numbered year.

Also, **this measure** would require that the Legislature pass the budget bill by midnight on June 15 of each odd-numbered calendar year.

This measure would make additional amendments to the California Constitution to conform to the author's intent of providing a two-year budget process.

Implementation Considerations

Implementation of this measure would require the department's budget staff to incorporate new procedures to accommodate a biennial budget process.

FISCAL IMPACT

Board Position:

_____ S	_____ NA	_____ NP
_____ SA	_____ O	_____ NAR
_____ N	_____ OUA	_____ X PENDING

Department Director

Date

Gerald Goldberg

3/25/1999

Departmental Costs

This measure could result in minor costs to accommodate additional hours expended by the department's budget staff to prepare a biennial budget.

Tax Revenue Estimate

This bill would not impact the state's income tax revenue.

BOARD POSITION

Pending.