

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Speier Analyst: Gloria McConnell Bill Number: SB 1828

Related Bills: _____ Telephone: 845-4336 Amended Date: 07/06/00

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Drug Violation through Internet/FTB Offset Fines or Civil Penalties from Tax Refunds

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 TECHNICAL CONSIDERATION addressed in the previous analysis of bill as amended 06/06/00.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO SUPPORT.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED 02/24/00 STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

This bill would require the Franchise Tax Board (FTB) to subtract certain fines or civil penalties from tax refunds or lottery winnings due certain taxpayers/defendants. FTB would make such offsets upon notification by the Attorney General (AG), the Medical Board of California or the Pharmacy Board of California of a final judgment for fines or civil penalties for specified violations relating to prescribing, dispensing or furnishing dangerous drugs or devices via the Internet.

SUMMARY OF AMENDMENT

This amendment makes the imposition of the fine or civil penalty discretionary and adds a conditional element to one of the two violations addressed in this bill. These amendments do not affect the FTB's programs or operations.

EFFECTIVE DATE

This bill would be effective and operative on January 1, 2001. However, the operative date for the offset provisions in this bill would be for notifications made on or after January 1, 2002.

Technical Consideration

As reflected in FTB's analysis of the bill as amended June 6, 2000, this bill would allow the AG to bring an action to collect civil penalties only. It does not make reference to the collection of fines. According to the author's office, this was an inadvertent omission, and the bill will be amended to allow the AG to bring an action to collect both fines and civil penalties. For the convenience of the author, the suggested amendment is attached.

Board Position:

<input checked="" type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Legislative Director

Date

Johnnie Lou Rosas

7/19/00

BOARD POSITION

Support. At its July 5, 2000, meeting, the FTB voted 2-0 to support this bill, with member B. Timothy Gage abstaining.

Analyst	Gloria McConnell
Telephone #	845-4336
Attorney	Patrick Kusiak

FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO SB 1828
As Amended July 6, 2000

AMENDMENT 1

On page 3, line 11, and on page 4, line 14, after "the" insert:

fines or