

An interagency agreement is a contract between two or more California state agencies subject to the approval of the Director of General Services. There are three types of interagency agreements; payable, reimbursement and Memo of Understanding (MOU). The payable interagency agreement is used when the FTB contracts for a service to be provided by another state agency and pays for it. The reimbursement is used when the FTB provides the service for another state agency and the other state agency pays the FTB. A MOU is a contract between two state agencies for services but no money is exchanged.

THIS BILL

This bill would allow the FTB and the BOE to enter into an interagency agreement authorizing the BOE to collect cash payments from medical marijuana related businesses for any fee, fine, penalty, or other charge required to be paid by that business to the FTB.

The agreements would be required to include:

- A provision that the BOE be reimbursed for the administrative costs of the collection from the fund for which cash payments are collected, upon appropriation of the Legislature.
- A provision that the BOE transmit the collected moneys to the Treasurer to be deposited in the State Treasury to the credit of the fund for which collection was authorized.
- A provision that describes the administrative costs the BOE will incur in carrying out the collection and administration, which costs could not exceed ten percent of the moneys collected.
- A savings clause that provides the BOE the authority to collect and to make refunds after the sunset date if a sunset date exists.
- A provision that sets forth the due date for payment of the fee, fine, penalty, or other charge and return by the feepayer.

The BOE would administer and collect the payments authorized by an agreement made pursuant to the Fee Collection Procedures Law.

IMPLEMENTATION CONSIDERATIONS

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

TECHNICAL CONSIDERATIONS

The bill provides that the BOE would collect cash payments from medical marijuana related businesses for any fee, fine, penalty, or other charge required to be paid by that business to the FTB. It is unclear if "other charge" would include "tax." If it is the author's intent to include "tax," the bill should be amended to specifically list tax as a collectable charge.

OTHER STATES' INFORMATION

Since this bill provides for an interagency agreement between California state agencies, a review of other states tax laws is not relevant.

FISCAL IMPACT

This bill would not significantly impact the department's costs.

ECONOMIC IMPACT

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

SUPPORT/OPPOSITION

Support: None on file.

Opposition: None on file.

ARGUMENTS

Proponents: Some could argue that this bill would allow medical marijuana related businesses to meet their state obligations.

Opponents: Some could argue that this bill does not address the lack of access to financial services by medical marijuana related businesses.

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