



BILL ANALYSIS

Author: Committee on Judiciary Bill Number: AB 3249

Subject: Court Ordered Debt, Include Amounts Imposed by Supreme Court for Amounts Due to the State Bar

Summary

This bill would, among other things, add amounts imposed by the Supreme Court of the State of California for certain amounts due to the State Bar as a debt type that can be referred to the Franchise Tax Board (FTB) Court Ordered Debt (COD) collection program.

This analysis only addresses the provisions of the bill that impact the department's programs and operations.

Reason for the Bill

The reason for this bill is to address issues relating to the State Bar of California and its duties, rules, and regulations.

Effective/Operative Date

This bill would become effective and operative for debts referred to the FTB COD collection program on and after January 1, 2019.

State Law

Under current state law, fines, state or local penalties, bail, forfeitures, restitution fines, restitution orders, and 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.

This Bill

This bill would add certain amounts imposed by the Supreme Court of the State of California for debts due to the State Bar under Business and Professions Code sections 6086.10 (relating to disciplinary proceeding costs and expenses), and 6140.5 (relating to reimbursement to the Client Security Fund) to the debt types that can be referred to the FTB COD collection program.

Legislative History

SB 1210 (Lieu, Chapter 762, Statutes of 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, Chapter 208, Statutes of 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, allowed additional collection costs of the courts to be added to the amounts referred to the FTB, and made the referrals mandatory for superior courts. AB 273 failed to pass by the constitutional deadline.

SB 556 (Committee on Judiciary, Chapter 596, Statutes of 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

Reimbursement for providing collection services, as required in this bill, is normally provided to the FTB through an interagency contract. In the future, based on volumes, the FTB may need additional position authority to address work.

Economic Impact

This bill would not impact state income tax revenues.

Appointments

None.

Support/Opposition

Support: None provided.

Opposition: None provided.

Votes

Location	Date	Yes Votes	No Votes
Concurrence	August 29, 2018	80	0
Senate Floor	August 28, 2018	39	0
Assembly Floor	May 30, 2018	78	0

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