



Summary Analysis of Amended Bill

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Sponsor:

Bill Number: AB 492

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Amended: April 11, 2019

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Related Bills: See Prior Analysis

Subject: Homeowners' and Renters' Assistance Program Eligibility Expansion

Summary

Under the Revenue and Taxation Code (R&TC), this bill would expand eligibility for the Homeowners and Renters Property Tax Assistance program.

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

Recommendation – No position.

Summary of Amendments

The April 11, 2019, amendments revised the assistance requirements, added repeal dates and operative dates, and added a reporting requirement.

As a result of the amendments several additional implementation concerns and a technical concern were identified.

Except for the "Effective/Operative Date," "This Bill," "Implementation Considerations," "Technical Considerations," and "Economic Impact" sections, the remainder of the department's analysis of the bill as introduced on February 12, 2019, still applies. The "Fiscal Impact" section has been restated below for convenience.

Effective/Operative Date

This bill would be effective January 1, 2020, and generally operative on that date, except for Sections 3 and 5, which would be specifically operative as of December 1, 2025.

This Bill

This bill would under the R&TC, for the period January 1, 2020, until December 1, 2025, temporarily rename the provisions of the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Assistance Law as the Gonsalves-Deukmejian-Petris Property Tax

Assistance Law and redefine “claimant” to allow any otherwise eligible claimant, without regard to age, blindness, or disability, to file a claim for assistance. Effective December 1, 2025, the name and definition of “claimant” would revert to the version in effect prior to January 1, 2020.

The bill would also, until December 1, 2025, decrease the maximum household income for a claimant to qualify for assistance from \$35,251 to \$30,000, recast the household income ranges for determining the percentage used to calculate the allowable assistance, and restart annual indexing for inflation with the 2021 calendar year. These provisions would be repealed by their own terms on December 1, 2025.

In uncodified law, the Legislative Analyst (LAO), would be required to review the effectiveness of the assistance and may request information from the Franchise Tax Board (FTB) and any other state governmental entity, as specified. Any such requested information would be required to be provided.

Implementation Considerations

The department has identified the following implementation concerns. Department staff is available to work with the author’s office to resolve these and other concerns that may be identified. Implementation of this bill’s provisions would be delayed until funding for the assistance program is reestablished in the budget.

The provisions necessary to determine the amount of assistance, the maximum household income and the assistance percentage rate charts, would be repealed as of December 1, 2025. Unlike Sections 3 and 5 which reenact the provisions repealed in Sections 2 and 4, Sections 6, 8, and 10 would not be reenacted after December 1, 2025 and would effectively eliminate assistance, regardless of funding. If this is contrary to the author’s intent this bill should be amended.

The bill is silent as to what information the LAO could request from the FTB and when such information would be required to be provided. Absent these details, the department is unable to determine whether and how the reporting would be implemented.

This bill would require the FTB to provide data to the LAO for use in the review of the program’s effectiveness, upon request, which could contain confidential taxpayer information. However, the bill fails to allow the disclosure of such information or prohibit the LAO from further disclosure of confidential taxpayer information. An exception from the general disclosure provisions should be added to specifically allow the FTB to comply with the bill’s provision on disclosure of tax information and apply the appropriate disclosure restrictions to the LAO.

Technical Considerations

The bill's reporting requirements are uncodified. For ease of reference, it is recommended the bill be amended to place the reporting provisions in the relevant section of the R&TC.

Fiscal Impact

The department's costs to implement this bill have yet to be determined, but are expected to be significant. As the bill moves through the legislative process, costs will be identified.

Economic Impact

Revenue Estimate

This bill as amended April 11, 2019, would not impact state income or franchise tax revenue.

This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill or for the net final payment method of accrual.

Revenue Discussion

The Homeowners and Renters Assistance Program is currently unfunded, should appropriations be made to the program the bill's amendments would have an impact on the General Fund.

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