



Analysis of Amended Bill

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Accountability and
Administrative Review

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Bill Number: AB 518

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Amended: May 16, 2019

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Related Bills: See Legislative
History

Subject: Accounts Receivable Management Act Annual Report

Summary

This bill would, under the Government Code (GC), modify provisions of the Accounts Receivable Management Act (Act).

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

Recommendation – No position.

Summary of Amendments

The May 16, 2019, amendments removed provisions of the bill that would have modified the Property Acquisition Law under the GC, and replaced them with the provisions discussed in this analysis.

This is the department's first analysis of the bill.

Reason for the Bill

The reason for the bill is to eliminate unnecessary reporting requirements.

Effective/Operative Date

This bill would become effective and operative January 1, 2020.

State Law

The Accounts Receivable Management Act allows participants, defined as state agencies, departments, and offices, to allocate collection resources based on giving the highest priority to accounts with the highest expected return. The State Controller may disregard errors of twenty-five dollars or less in individual accounts if time and expenses will be saved. Participants may impose a reasonable fee, to recover the

participants collection costs on a past due account. If certain criteria is met, participants may enter into contracts with private debt collectors or private persons or entities for the assignment or sale of all or part of its accounts receivable.

Under the Act, participants are required to submit an annual report to the State Controller of their accounts receivables and discharged accounts.

This Bill

This bill would, under the GC, repeal the annual reporting requirement provision of the Accounts Receivable Management Act.

Implementation Considerations

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

Legislative History

Research of California legislation found no prior enacted or proposed legislation similar to the provisions of this bill.

Other States' Information

Because this bill would repeal a reporting requirement to the State Controller regarding accounts receivables and discharged accounts of state agencies, departments and offices, a review of other states' tax information would not be relevant.

Fiscal Impact

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

Economic Impact

Revenue Estimate

This bill, as amended on May 16, 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.

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