



## Bill Analysis

Author: Committee on Budget Sponsor:

Bill Number: AB 177

Related Bills: See Legislative  
History

Amended: September 5, 2021

## SUBJECT

Franchise Tax Board (FTB) Collections: Restitution Fines and Restitution Orders

## SUMMARY

Under the Penal Code, this bill makes several technical changes and repeals and adds sections related to collections of restitution fines and restitution orders as it relates to prisoners released from custody of the Department of Corrections and Rehabilitation or a county jail facility.

## RECOMMENDATION

No position.

## SUMMARY OF AMENDMENTS

The September 5, 2021 amendments, removed intent language and replaced it with the provisions discussed in this bill.

This is the department's first analysis of the bill and only addresses the provisions that impact the department.

## REASON FOR THE BILL

The reason for this bill is to eliminate many administrative fees that agencies and courts are authorized to impose and to eliminate all outstanding debt incurred as a result of the imposition of administrative fees.

## ANALYSIS

This bill would make technical changes, including making several court-imposed costs unenforceable and uncollectable. This bill would amend, repeal, and add provisions related to FTB collections of restitution fines and restitution orders. Specifically, this bill would, beginning January 1, 2022, remove the authority for counties to impose administrative fees for collection of restitution fines and restitution orders for prisoners who have been released from custody of the Department of Corrections and Rehabilitation (DCR) or a county jail facility and is subject to postrelease community supervision or mandatory supervision or is released from custody of a county jail facility after completion of a term in custody.

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### *Effective/Operative Date*

This bill, providing for an appropriation related to the Budget Bill and identified as a bill related to the budget in the Budget Bill, would be effective immediately upon enactment. Some of the bill's provisions would be operative immediately upon enactment, but the provisions that make the court-imposed costs unenforceable and uncollectible and that eliminate a county's ability to impose the administrative fees described in this analysis would be specifically operative on January 1, 2022.

### *Federal/State Law*

#### *Federal Law*

No provision comparable in federal law.

#### *State Law*

Current state law provides that if a county elects to collect restitution fines or restitution orders from a prisoner who is subject to postrelease community supervision, as specified, or released from the custody of the DCR or a county jail, after completion of a term in custody, the county shall coordinate collection efforts with the FTB.

FTB's Court-Ordered Debt Collection Program is authorized under Revenue and Taxation Code, section 19280-19282. Under this program, the FTB is able to collect the following types of fees:

- Court fines and fees;
- Court appointed counsel costs;
- Vehicle Code violations;
- Probation;
- Victims Restitutions; and
- Juvenile offenses

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.

#### *Implementation Considerations*

None noted.

#### *Technical Considerations*

None noted.

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*Policy Considerations*

None noted.

**LEGISLATIVE HISTORY**

AB 3362 (Committee on Judiciary, Chapter 360, Statutes of 2020), allowed the FTB to collect monetary sanctions and costs related to the State Bar of California's Client Security Fund reimbursement provision.

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.

SB 144 (Mitchell, et al., 2019/2020), would have, under the Business and Professions Code, Government Code, Vehicle Code, Penal Code, and Welfare and Institutions Code, among other changes, eliminated a number of administrative fees and costs imposed on a person related to involvement in the criminal justice system. SB 144 did not pass out of the assembly by the constitutional deadline.

**PROGRAM BACKGROUND**

None noted.

**FISCAL IMPACT**

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

**ECONOMIC IMPACT**

*Revenue Estimate*

This bill as amended September 5, 2021 would not impact state income or franchise tax revenue.

**LEGAL IMPACT**

None noted.

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**APPOINTMENTS**

None noted.

**SUPPORT/OPPOSITION**

None noted.

**ARGUMENTS**

None noted.

**LEGISLATIVE CONTACT**

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