



Bill Analysis

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Sponsor:

Bill Number: AB 733

Related Bills: See Legislative
History

Introduced: February 18, 2025

SUBJECT

State Agency Legislative Reporting

SUMMARY

This bill, under the Government Code (GOV), would require each state agency to submit a list of any required report that has not been provided to the Legislature by April 1 of each year.

This analysis only addresses the provisions that would impact the Franchise Tax Board (FTB).

RECOMMENDATION

No position—The three-member Franchise Tax Board has not formally voted or taken a position on this bill.

SUMMARY OF AMENDMENTS

Not applicable.

REASON FOR THE BILL

The reason for the bill is to provide oversight of government accountability.

ANALYSIS

This bill, under the GOV, would require all state agencies that are required to submit one or more reports to the Legislature, including the FTB, to submit a list of all reports that have not been submitted to the Legislature, in printed form to the Secretary of the Senate and in electronic form to the Chief Clerk of the Assembly, by April 1 of each year.

The list would be required to include the following:

- Status summary of each report and statement explaining why an overdue report has not yet been submitted.
- Compliance plan for the submission of each report, including a timeline for submitting the report that specifies identifiable goals, objectives, and benchmarks to be met prior to completion and submission of each report.

For purposes of the bill, a “report” is a mandated report required to be submitted by a state agency to Members of either house of the Legislature pursuant to a provision of law that is effective on or after January 1, 2026.

State agencies that fail to submit timely reports may be required by the Assembly Committee on Budget or the Senate Committee on Budget and Fiscal Review to appear before the committee to explain the failure to submit the reports as required.

Additionally, the Legislature, in accordance with the state budget, may withhold appropriations to an agency that fails to submit timely reports.

Effective/Operative Date

This bill would be effective and operative January 1, 2026.

Federal/State Law

Federal Law

No comparable provision in federal law.

State Law

Current state law, GOV section 9795, specifies the form and method for a state or local agency to submit any report required or requested by law to the Members of either the Senate or Assembly. A report submitted by a state agency is required to be posted on the agency’s internet website. In addition, state agency websites are required to meet certain accessibility requirements.

Implementation Considerations

None noted.

Technical Considerations

None noted.

Policy Considerations

None noted.

LEGISLATIVE HISTORY

SB 259 (Seyarto, et al., Chapter 148, Statutes of 2023), under the GOV, requires state agencies to post on their websites any report that they submit on or after January 1, 2024, to a committee of the Legislature.

AB 802 (Mark Stone, 2019/2020), under the GOV, would have required the California Department of Technology to establish and maintain a statewide open data portal for state and local agencies to submit all reports to the Legislature electronically, as specified. AB 802 did not pass; it was held in the Senate Appropriations Committee Suspense File.

AB 3162 (Obernolte, 2019/2020), under the GOV, would have required all state agencies, including the FTB, to post on their internet website, any report they submitted to a committee of the Legislature. AB 3162 did not pass out of the Assembly by the constitutional deadline.

SB 937 (Hill, 2019/2020) would have, under the GOV, allowed state agencies, including the FTB, to temporarily remove public documents from its internet website when a justifiable impediment existed that prevented a document from being compliant with the applicable accessibility requirements. SB 937 did not pass out of the Senate by the constitutional deadline.

PROGRAM BACKGROUND

Under Revenue and Taxation Code (RTC) section 41, legislation that would create a new tax expenditure, which includes a credit, a deduction, an exclusion, an exemption, or any other tax benefit as provided by the state, is required to include specific goals, purposes, objectives, and performance measures to allow the Legislature to evaluate the effectiveness of the tax benefit, i.e., is the tax benefit meeting, failing to meet, or exceeding its specific goals, purposes, and objectives.

Currently, for purposes of Section 41, the FTB provides the following reports with different due dates to the Legislature:

- California Competes Credit
- California Earned Income Tax Credit, Young Child Tax Credit, and Foster Youth Tax Credit
- CalFile Online Tax Filing
- Cannabis Equity Licensee Credit
- High-Road Cannabis Tax Credit

- College Access Tax Credit
- Commercial Cannabis
- Disaster Loss Deduction Report
- Donated Fresh Fruits or Vegetables Credit Report
- Healthcare Mandate
- Homeless Hiring Credit
- Minimum Tax and Annual Tax Exemption for Deployed Military
- New Employment Credit

In addition to Section 41 reporting, the FTB is also required to provide data or various reports to the Legislature and other state agencies. For example, the Summary of Federal Income Tax Changes and the Taxpayer Bill of Rights Report.

OTHER STATES' INFORMATION

None noted.

FISCAL IMPACT

FTB's costs to implement this bill have yet to be determined. As the bill moves through the legislative process, costs will be identified.

ECONOMIC IMPACT

Revenue Estimate

This bill, as introduced on February 18, 2025, does not impact the way income or franchise tax is calculated under the RTC.

LEGAL IMPACT

None noted.

EQUITY IMPACT

None noted.

APPOINTMENTS

None noted.

SUPPORT/OPPOSITION

None on file.

ARGUMENTS

None on file.

LEGISLATIVE CONTACT

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