

AMENDED IN ASSEMBLY JUNE 24, 2009

AMENDED IN SENATE MAY 28, 2009

AMENDED IN SENATE APRIL 29, 2009

AMENDED IN SENATE APRIL 14, 2009

SENATE BILL

No. 516

Introduced by Senator DeSaulnier
(Coauthor: Assembly Member Torlakson)

February 26, 2009

An act to add and repeal Article 4.5 (commencing with Section 18736) of Chapter 3 of Part 10.2 of *Division 2* of the Revenue and Taxation Code, and to add Chapter 4 (commencing with Section 2200) to *Division 2.5* of the Welfare and Institutions Code, relating to the California Youth Legislature.

LEGISLATIVE COUNSEL'S DIGEST

SB 516, as amended, DeSaulnier. California Youth Legislature.

Existing law establishes the California Senior Legislature to provide model legislation for older citizens and advocate for the needs of seniors. This law establishes in the State Treasury the California Fund for Senior Citizens to receive contributions from tax return designations to support the sessions of the California Senior Legislature. Existing law authorizes individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds or accounts.

This bill would establish the California Youth Legislature, composed of students ages 14 to 18 years, inclusive, and, subject to specified considerations, appointed by Members of the Legislature, to provide model legislation and advocate for the needs of youth. The California Youth Legislature would be charged with examining and discussing

policy and fiscal issues affecting the interests, needs, and conditions of the youth of California and to formally advise and make recommendations to the Legislature and the Governor on specific issues affecting youth. The bill would authorize the California Youth Legislature to enter into an interagency agreement with ~~a state entity~~ *the Joint Committee on Rules* to carry out necessary administrative functions. If the ~~state entity~~ *Joint Committee on Rules* determines there are insufficient funds to cover all costs, the activities of the California Youth Legislature would cease. The bill would create in the State Treasury the California Fund for Youth to receive contributions from tax return designations to support the sessions of the California Youth Legislature. This bill would provide for the repeal of this contribution provision for this fund on January 1 of the 5th taxable year following the first appearance of the California Fund for Youth on the tax return or on January 1 of an earlier calendar year, if the Franchise Tax Board estimates that the annual contribution amount will be less than \$250,000, or an adjusted amount, as specified, for subsequent taxable years. The bill also would authorize the California Youth Legislature to accept gifts and grants from any source to help perform its functions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 4.5 (commencing with Section 18736) is
2 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and
3 Taxation Code, to read:

4

5 Article 4.5. California Fund for Youth

6

7 18736. (a) Any individual may designate on the tax return that
8 a contribution in excess of the tax liability, if any, be made to the
9 California Fund for Youth, which is established by Section 18737.

10 (b) The contributions shall be in full dollar amounts and may
11 be made individually by each signatory on a joint return.

12 (c) A designation under subdivision (a) shall be made for any
13 taxable year on the original return for that taxable year, and once
14 made shall be irrevocable. In the event that ~~payment~~ *payments* and
15 credits reported on the return, together with any other credits
16 associated with the individual's account, do not exceed the

1 individual's tax liability, the return shall be treated as though no
2 designation has been made.

3 (d) If an individual designates a contribution to more than one
4 account or fund listed on the tax return, and the amount available
5 is insufficient to satisfy the total amount designated, the
6 contribution shall be allocated among the designees on a pro rata
7 basis.

8 (e) The Franchise Tax Board shall revise the form of the return
9 to include a space labeled "California Fund for Youth" to allow
10 for the designation permitted under subdivision (a). The form shall
11 also include in the instructions information that the contribution
12 may be in the amount of one dollar (\$1) or more and that the
13 contribution shall be used to conduct the sessions of the California
14 Youth Legislature and to support its ongoing activities on behalf
15 of youth.

16 (f) Notwithstanding any other provision, a voluntary contribution
17 designation for the California Fund for Youth shall not be added
18 on the tax return until another voluntary contribution designation
19 is removed.

20 (g) A deduction shall be allowed under Article 6 (commencing
21 with Section 17201) of Chapter 3 of Part 10 for any contribution
22 made pursuant to subdivision (a).

23 18737. There is hereby established in the State Treasury the
24 California Fund for Youth to receive contributions made pursuant
25 to Section 18736. The Franchise Tax Board shall notify the
26 Controller of both the amount of money paid by taxpayers in excess
27 of their tax liability and the amount of refund money that taxpayers
28 have designated pursuant to Section 18736 to be transferred to the
29 California Fund for Youth. The Controller shall transfer from the
30 Personal Income Tax Fund to the California Fund for Youth an
31 amount not in excess of the sum of the amounts designated by
32 individuals pursuant to Section 18736 for payment into that fund.

33 18738. All moneys transferred to the California Fund for Youth
34 pursuant to Section 18736, upon appropriation by the Legislature,
35 shall be allocated as follows:

36 (a) To the Franchise Tax Board and the Controller for
37 reimbursement of all costs incurred by the Franchise Tax Board
38 and the Controller in connection with their duties under this article.

39 (b) The balance to the California Youth Legislature, for its
40 ongoing activities on behalf of youth.

(c) All moneys allocated pursuant to subdivision (b) of this section may be carried over from the year in which they were received.

(d) The funds allocated to the California Youth Legislature for the purpose of funding the activities of the California Youth Legislature shall be spent pursuant to the purview of the Joint Rules Committee of the California Youth Legislature in a manner consistent with the bylaws of the California Youth Legislature, established through a majority vote of the California Youth Legislature.

18739. (a) This article shall remain in effect only until January 1 of the fifth taxable year following the first appearance of the California Fund for Youth on the tax return, and as of that date is repealed.

(b) (1) By September 1 of the second calendar year, and by September 1 of each subsequent calendar year that the California Fund for Youth appears on a tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the California Youth Legislature of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000) for the second calendar year after the first

appearance of the California Fund for Youth on the personal income tax return or the adjusted minimum contribution amount adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with the third calendar year that the California Fund for Youth appears on the tax return, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

SEC. 2. Chapter 4 (commencing with Section 2200) is added to Division 2.5 of the Welfare and Institutions Code, to read:

CHAPTER 4. CALIFORNIA YOUTH LEGISLATURE

2200. (a) The Legislature finds and declares that the needs of California's youth can best be assessed by California's youth.

(b) The Legislature recognizes that all young people need five key developmental resources in order to become productive citizens: caring adults, safe places, a healthy start, an effective education, and opportunities to help others. The Legislature further recognizes that young people who receive more of these developmental resources fare better than young people who receive fewer, and that those young people are more likely to avoid violence, contribute to their communities, and achieve high grades in school. The Legislature further recognizes the significant number of California's youth who live disadvantaged lives. Youth who are homeless, in the juvenile justice system, or in foster care have

1 limited opportunities to participate in the policies process that
2 ultimately impacts their well-being.

3 (c) The Legislature is alarmed that hundreds of thousands of
4 California youth are among the two-thirds of America's children
5 and youth recently identified by the America's Promise Alliance
6 as not receiving sufficient developmental resources to safely put
7 them on the path to adulthood. The Legislature also is concerned
8 that the high school completion rate is less than 60 percent for
9 low-income students and students of color in California, that gang
10 and youth violence continue to be a concern and that after years
11 of declining numbers, teen pregnancy rates are also on the rise.
12 The Legislature is encouraged, however, by research indicating
13 that providing more of the five developmental resources for more
14 young people can help prevent many of these problems, and that
15 millions of dollars in later prison, health, and welfare costs can be
16 avoided by providing more developmental resources for more
17 young people now.

18 (d) The Legislature also agrees with the America's Promise
19 Alliance's call for greater collaboration and integration in working
20 to turn failure into action and improve the lives of young people
21 at risk and with the actions of the more than 20 states that have
22 committed their state resources for the creation of statewide entities
23 charged with improving the developmental well-being of their
24 children and youth.

25 (e) The California Youth Legislature shall be established through
26 this chapter and shall operate according to the procedures set forth
27 in this chapter to provide model legislation and advocate for the
28 needs of youth.

29 2201. (a) The California Youth Legislature shall be composed
30 of two houses, the California Youth Senate, composed of 40
31 members, and the California Youth Assembly, composed of 80
32 members.

33 (b) Members of the California Youth Legislature shall serve
34 two-year terms.

35 (c) Members of the California Youth Legislature shall be ages
36 14 to 18, inclusive, and currently enrolled in a California junior
37 high, middle, or high school, or participating in a nonpublic,
38 home-based educational program or a general equivalency degree
39 program.

2202. (a) The members of the California Youth Legislature shall be appointed by the Legislature, with one member appointed by each Member of the Senate and each Member of the Assembly.

(b) Members of the Senate and Members of the Assembly, in making their appointments, shall take into consideration that the members of the California Youth Legislature represent the racial, ethnic, socioeconomic, cultural, physical, and educational diversity of California. Particular emphasis should be placed on reaching out to at-risk or disadvantaged youth to serve as members of the California Youth Legislature, as their participation will provide keen insight to many of the issues that youth face in their day-to-day lives.

2203. (a) The California Youth Legislature shall have the authority to define its program and utilize its funds in any way necessary to carry out the duties of this chapter, as long as the program or activity is not in violation of a state law or regulation.

(b) The California Youth Legislature shall do all of the following:

(1) Examine and discuss policy and fiscal issues affecting the interests, needs, and conditions of the youth of California.

(2) Formally advise and make recommendations to the Legislature and the Governor on specific issues affecting youth, including, but not limited to, all of the following:

(A) Education.

(B) Employment.

(C) Access to state and local government services.

(D) The environment.

(E) Behavioral and physical health.

(F) Safety.

(G) Technology.

(H) Criminal justice.

(I) Homelessness.

(J) Foster care.

(K) Child welfare.

(L) Emancipation.

(M) Financial literacy.

(N) Substance abuse.

(O) Driver's license requirements.

(P) Poverty.

(Q) Increased youth participation in state and local government.

1 (R) Any other policy or fiscal issues deemed appropriate by the
2 Youth Legislature.

3 (3) Consult with any existing local level youth advisory
4 commissions and community-based, grassroots youth-led
5 organizations for input and potential solutions on issues related to
6 youth.

7 (c) The Youth Legislature shall act as an information center on
8 California youth policy and fiscal issues, including, but not limited
9 to, the issues listed in subdivision (b).

10 2204. (a) The California Youth Legislature shall enter into a
11 mutually agreed-upon interagency agreement with a state entity
12 *the Joint Committee on Rules* to carry out administrative duties
13 related to its program. The interagency agreement shall provide
14 for reimbursement to the agency *Joint Committee on Rules* for its
15 administrative costs from funds available to the California Youth
16 Legislature.

17 ~~(b) The California Youth Legislature shall identify the state~~
18 ~~entity for purposes of subdivision (a) within six months of receipt~~
19 ~~of funds.~~

20 ~~(c) The state entity~~

21 ~~(b) The Joint Committee on Rules~~ shall determine when there
22 are sufficient funds to support the program. If the state entity *Joint*
23 *Committee on Rules* determines there are insufficient funds to
24 cover all costs, the activities of the California Youth Legislature
25 shall cease.

26 ~~shall determine when there are sufficient funds to support the~~
27 ~~program. If the state entity determines there are insufficient funds~~
28 ~~to cover all costs, the activities of the California Youth Legislature~~
29 ~~shall cease.~~

30 ~~(d)~~

31 (c) State funds shall not be used to support the California Youth
32 Legislature except as provided in Article 4.5 (commencing with
33 Section 18736) of Chapter 3 of Part 10.2 of Division 2 of the
34 Revenue and Taxation Code.

35 (e)

36 (d) This section does not preclude the California Youth
37 Legislature from entering into mutually agreed-upon interagency
38 agreements for any subsequent fiscal year.

39 2205. (a) The funds for the California Youth Legislature shall
40 be allocated from the California Fund for Youth or private funds

- 1 directed to the Legislature for the purpose of funding activities of
- 2 the California Youth Legislature.
- 3 (b) The California Youth Legislature may accept gifts and grants
- 4 from any source, public or private, to help perform its functions,
- 5 pursuant to Section 2203.