

AMENDED IN SENATE MAY 10, 2011

AMENDED IN SENATE APRIL 4, 2011

**SENATE BILL**

**No. 357**

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**Introduced by Senator Dutton**

February 15, 2011

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An act to add Section 11346.47 to the Government Code, relating to regulations.

LEGISLATIVE COUNSEL'S DIGEST

SB 357, as amended, Dutton. Regulations: obsolete equipment.

The Administrative Procedure Act governs the procedure for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law. The act requires that an agency identify, in the notice of proposed action for a regulation, an estimate, prepared in accordance with instructions adopted by the Department of Finance, of the cost or savings to a state agency.

This bill would additionally require an agency to estimate the cost *or savings* to the state in revenues that are lost *or gained* as a result of a regulation that would make equipment obsolete, where that equipment would otherwise have a remaining depreciable life. The bill would require the Franchise Tax Board to provide to each state agency, and update every 5 years, the average tax rate to be applied to the amount of the estimated accelerated deduction due to reduced asset life attributable to the regulation for an increase in business depreciation.

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. Section 11346.47 is added to the Government  
2 Code, to read:  
3 11346.47. (a) For purposes of the estimate of costs and savings  
4 to a state agency reported pursuant to paragraph (6) of subdivision  
5 (a) of Section 11346.5, and in addition to information required by  
6 the Department of Finance pursuant to Section 11357, the agency's  
7 estimate shall include an estimate of the cost *or savings* to the state  
8 in revenues that are lost *or gained* as a result of a regulation that  
9 makes equipment obsolete, where that equipment would otherwise  
10 have a remaining depreciable life.  
11 (b) For purposes of this section, the Franchise Tax Board shall  
12 provide to each state agency, and update every five years, the  
13 average tax rate to be applied to the amount of the estimated  
14 accelerated deduction due to reduced asset life attributable to the  
15 regulation for an increase in business depreciation.

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