

Introduced by Senator Liu

January 5, 2012

An act to amend Section 12419.8 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

SB 954, as introduced, Liu. Controller: offset payments.

Existing law authorizes the Controller to offset or deduct certain amounts due a city or county to satisfy certain state claims. Existing law requires the Controller, at the request of the city or county, to offset any amount due a city or county against any amount owing the person or entity by a state agency on a claim for a refund from the Franchise Tax Board or for a refund from the State Board of Equalization, under specified provisions of law, or winnings from the California State Lottery.

This bill would include in the Controller's required calculation of the offset amount due a city or county, any amount owing the person or entity by a state agency on a claim filed by the owner, as described, for payment of unclaimed property held by the state.

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 12419.8 of the Government Code is
- 2 amended to read:
- 3 12419.8. (a) The Controller may, in his or her discretion, offset
- 4 any amount due a city or county from a person or entity pursuant
- 5 to paragraph (1), (2), or (4) of subdivision (c), and shall, at the

1 request of the city or county, offset any amount due a city or county
2 from a person or entity pursuant to paragraph (3) of subdivision
3 (c), against any amount owing the person or entity by a state agency
4 on a claim for a refund from the Franchise Tax Board under the
5 Personal Income Tax Law or the Bank and Corporation Tax Law,
6 a claim for refund from the State Board of Equalization under the
7 Sales and Use Tax Law, ~~or~~ from winnings in the California State
8 Lottery, *or a claim filed by the owner, as described in subdivision*
9 *(d) of Section 1531 of the Code of Civil Procedure, for payment*
10 *of money from unclaimed property held by the state.* Standards
11 and procedures for submission of requests for offsets shall be as
12 prescribed by the Controller. Whenever insufficient funds are
13 available to satisfy an offset request, the Controller, after first
14 applying the amounts available to any amount due a state agency,
15 may allocate the balance among any other requests for offset.

16 (b) The Controller shall deduct and retain from any amount
17 offset in favor of a city or county an amount sufficient to reimburse
18 the Controller, the Franchise Tax Board, the State Board of
19 Equalization, or the California State Lottery for their administrative
20 costs of processing the offset payment.

21 (c) This section shall apply only to any of the following
22 situations:

- 23 (1) Where the amount has been reduced to a judgment.
- 24 (2) Where the amount is contained in an order of a court.
- 25 (3) Where the amount is from a bench warrant for payment of
26 any fine, penalty, or assessment.
- 27 (4) Where the amount is delinquent unsecured property taxes
28 on which a certificate lien has been filed for record in the office
29 of the county recorder pursuant to Section 2191.3 of the Revenue
30 and Taxation Code.

31 (d) For purposes of paragraph (4) of subdivision (c):

- 32 (1) Upon the tax collector's request for taxpayer identification
33 numbers required by the Controller's procedures, the tax collector
34 shall immediately notify the appropriate assessee, by registered or
35 certified mail, that the request has been made for the purpose of
36 intercepting refunds from the state government due the taxpayer,
37 in order to offset the delinquent property tax obligation. The letter
38 shall state that if the assessee does not pay the outstanding tax
39 amount to the tax collector within 20 days, the required taxpayer
40 identification number will be so provided.

- 1 (2) The tax collector shall not be named in any action that may
- 2 be brought as a result of compliance with this subdivision.

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