

ASSEMBLY BILL

No. 1151

Introduced by Assembly Member Ting

February 22, 2013

An act to add Chapter 14.5 (commencing with Section 22260) to Division 8 of the Business and Professions Code, relating to business.

LEGISLATIVE COUNSEL'S DIGEST

AB 1151, as introduced, Ting. Tax agent registration.

Existing law requires every assessor to assess all property subject to general property taxation at its full value and to prepare an assessment roll in which all property within the county which it is the assessor's duty to assess is required to be listed. Existing law requires a county board of equalization or an assessment appeals board to equalize the valuation of taxable property within the county for the purpose of taxation. Existing law authorizes a taxpayer, with respect to each assessment year, to file an application for a reduction in an assessment, as provided, with the county board, which is the county board of supervisors meeting as a county board of equalization of an assessment appeals board.

This bill would, commencing July 1, 2014, prohibit a tax agent, defined as any individual who is employed, is under contract, or otherwise receives compensation to communicate directly with any county official for the purpose of influencing official action relating to the establishment of a taxable value for any property subject to taxation, from representing a tax payer before a county official without first being registered and issued a registration number by the Secretary of State. The bill would require a tax agent to file with the Secretary of State an application for registration that includes specified information and an

unspecified registration fee. The bill would make the registration subject to annual renewal and require the payment of an unspecified renewal fee.

This bill would require the Secretary of State to semiannually develop a list of registered tax agents and to make that list publicly available on its Internet Web site. The bill would authorize the Secretary of State to send a tax agent and the represented taxpayer a notice of noncompliance for the failure to comply with these provisions, as specified. The bill would also authorize the Attorney General to pursue civil fines for the failure to comply with these provisions subject to specified procedures. The bill would authorize the Secretary of State to adopt rules and regulations for the purpose of carrying out these provisions.

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. Chapter 14.5 (commencing with Section 22260)
2 is added to Division 8 of the Business and Professions Code, to
3 read:

4
5 CHAPTER 14.5. TAX AGENTS
6

7 22260. The following definitions apply for the purposes of this
8 chapter:

9 (a) "County official" means the county assessor, an assessment
10 appeals board member, an assessment hearing officer, and any
11 other county employee within those offices whose duties are not
12 primarily clerical or manual.

13 (b) "Influencing official action" means representing a taxpayer
14 as an agent in connection with any matter before any county official
15 by promoting, supporting, influencing, seeking modification of,
16 opposing, or seeking delay of any official action by any means.
17 The filing or submitting of required county forms for compliance
18 purposes and communication relating to those filings shall not be
19 considered influencing official action.

20 (c) "Official action" means establishing a taxable value for any
21 property subject to property taxation, including the initial value,
22 declines in value, corrections to value, and any other changes in
23 the taxable value set, completing an assessment roll showing the

1 assessed values of any property, applying all legal exemptions to
2 assessments, issuing refunds, establishing payment plans, applying
3 penalties, and deciding all property assessment disputes between
4 taxpayers and the county assessor.

5 (d) “Public official” and “public employee” mean any
6 government official or employee of any state or local government
7 agency.

8 (e) “Tax agent” means any individual who is employed, under
9 contract, or otherwise receives compensation to communicate
10 directly, or through agents, employees or subcontractors, with any
11 county official for the purpose of influencing official action. A tax
12 agent shall not include:

13 (1) An elected or appointed public official or public employee
14 when acting in his or her official capacity.

15 (2) A person representing any of the following:

16 (A) Himself or herself.

17 (B) An immediate family member.

18 (C) An entity of which the person is a partner or owner of 10
19 percent or more of the value of the entity.

20 22260.2. (a) (1) Each tax agent, within 30 days after July 1,
21 2014, shall file with the Secretary of State an application for a
22 registration containing the following information:

23 (A) The tax agent’s full name, business address, business
24 telephone number, and business e-mail address, if applicable.

25 (B) The name of the tax agent’s employing tax agent firm, if
26 applicable.

27 (2) A tax agent shall also pay the Secretary of State a registration
28 fee in the amount of ____ dollars (\$____).

29 (b) If the requirements of subdivision (a) are satisfied, the
30 Secretary of State shall issue a tax agent a tax agent registration
31 number.

32 (c) Beginning July 1, 2014, no tax agent shall represent tax
33 payers before a county official without first being registered and
34 issued a registration number pursuant to this section.

35 (d) A registration issued pursuant to this section shall expire
36 one year from its date of issuance unless and until that person
37 terminates the registration. An expired registration may be renewed
38 annually and the registrant shall pay an annual renewal registration
39 fee in the amount of ____ dollars (\$____) to the Secretary of State.

- 1 (e) A person may not register or provide services as a tax agent
2 if that person:
- 3 (1) Has been convicted of any felony under state or federal tax
4 laws.
 - 5 (2) Has been convicted of any other criminal offense involving
6 dishonesty, breach of trust, or moral turpitude.
 - 7 (3) Has been disbarred or suspended for any reason other than
8 the failure to pay dues from practice as an attorney, certified public
9 accountant, public accountant, or actuary by any duly constituted
10 authority of any state, territory, or possession of the United States,
11 including a commonwealth, or the District of Columbia, any court
12 of record, or any agency, body, or board.
- 13 (f) Fees collected pursuant to this chapter shall be deposited in
14 the Secretary of State’s Business Fees Fund established in Section
15 12176 of the Government Code.
- 16 22260.4. (a) Within 30 days of any change in any of the
17 registration information submitted pursuant to Section 22260.2, a
18 tax agent shall file updated registration information with the
19 Secretary of State.
- 20 (b) When a tax agent ceases all activities related to influencing
21 official action, this fact shall be reported to the Secretary of State.
- 22 (c) It shall be a violation of this chapter for any person to act as
23 a tax agent if that person is not registered as a tax agent pursuant
24 to Section 22260.2 or if that person was previously registered as
25 a tax agent pursuant to Section 22260.2 but that person is no longer
26 registered as a tax agent.
- 27 22260.8. The secretary shall semiannually develop a list of
28 registered tax agents and make that list available to the public on
29 its Internet Web site.
- 30 22260.12. (a) If, after investigation, it is determined by the
31 Secretary of State that any tax agent acting on behalf of the
32 taxpayer fails to comply with this chapter and the tax agent has
33 failed to cure the violation within 30 days of first receiving notice,
34 the Secretary of State shall send the tax agent and the taxpayer or
35 taxpayers whom the tax agent represents a notice of the tax agent’s
36 noncompliance.
- 37 (b) Any person may file a complaint with the Attorney General
38 that any tax agent has violated any provision of this chapter.
- 39 (c) For any violation of this chapter, the Attorney General shall
40 have the discretion to pursue civil fines for noncompliance or

1 violations of this chapter. The Attorney General shall be designated
2 as the enforcement officer for determination and imposition of the
3 civil fines and noncompliance fees to be issued.

4 (d) Notwithstanding subdivision (c), no administrative fine shall
5 be issued if the first violation of this chapter is cured within 30
6 days of the date in which the tax agent receives notice of the
7 violation from the Attorney General.

8 22260.14. Subject to the Administrative Procedure Act (Chapter
9 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
10 Title 2 of the Government Code), the Secretary of State may
11 develop rules and regulations for the administration of this chapter.

12 22260.16. This chapter shall become operative on July 1, 2014.

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