

AMENDED IN SENATE SEPTEMBER 5, 1997

AMENDED IN SENATE JUNE 30, 1997

AMENDED IN ASSEMBLY MAY 1, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1033**

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**Introduced by Assembly Member Frusetta**  
**(Coauthors: Assembly Members Aroner, Bowler, Campbell,**  
**Cunneen, Granlund, Leach, Machado, Margett, Morrissey,**  
**Oller, Prenter, Richter, Scott, Takasugi, and Wayne)**  
(Coauthors: Senators McPherson and Rainey)

February 27, 1997

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An act to add and repeal Article 2 (commencing with Section 18711) of Chapter 3 of Part 10.2 of Division 2 of the ~~Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.~~ *Revenue and Taxation Code, and to amend Section 18969 of the Welfare and Institutions Code, relating to taxation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1033, as amended, Frusetta. Taxpayer contributions: State Children's Trust Fund.

Provisions relating to the administration of personal income taxes allowed individual taxpayers, until January 1, 1997, to contribute amounts in excess of their tax liability to the State Children's Trust Fund by designation on their tax returns. All money that was contributed to the fund pursuant to these



provisions was continuously appropriated for specified purposes.

The bill would reinstate those contribution provisions for taxable years beginning on or after January 1, 1997, and continue their operation until January 1, 2002. ~~By reinstating the continuous appropriation of moneys in the State Children's Trust Fund, this bill would make an appropriation.~~ *This bill would provide that all money contributed to the fund pursuant to the provisions of this bill would be subject to appropriation by the Legislature, as specified, and would make related and conforming changes to provisions that continuously appropriate the State Children's Trust Fund.*

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

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

1 SECTION 1. Article 2 (commencing with Section  
2 18711) is added to Chapter 3 of Part 10.2 of Division 2 of  
3 the Revenue and Taxation Code, to read:

4  
5 Article 2. State Children's Trust Fund  
6

7 18711. (a) Any individual may designate on the tax  
8 return that a contribution in excess of the tax liability, if  
9 any, be made to the State Children's Trust Fund.

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

13 (c) A designation under subdivision (a) shall be made  
14 for any taxable year on the initial return for that taxable  
15 year, and once made shall be irrevocable. In the event  
16 that payments and credits reported on the return,  
17 together with any other credits associated with the  
18 taxpayer's account do not exceed the tax liability, if any,  
19 shown thereupon, the return shall be treated as though  
20 no designation had been made. In the event that no  
21 designee is specified, the contribution shall, after  
22 reimbursement of the direct actual costs of the Franchise  
23 Tax Board for the collection and administration of funds



1 under this article, be transferred to the General Fund.  
2 The individual shall be notified in cases in which the  
3 discrepancy between the amount actually available for  
4 designation and the amount designated exceeds ten  
5 dollars (\$10).

6 (d) If an individual designates a contribution to more  
7 than one account, and the amount available is insufficient  
8 to satisfy the total amount designated, the contribution  
9 shall be allocated among the designees on a pro rata basis.

10 (e) The Franchise Tax Board shall revise the form of  
11 the return to include a space labeled the “State Children’s  
12 Trust Fund For the Prevention of Child Abuse” to allow  
13 for the designation permitted under subdivision (a).

14 (f) A deduction shall be allowed under Article 6  
15 (commencing with Section 17201) of Chapter 3 of Part 10  
16 for any contribution made pursuant to subdivision (a).

17 18712. (a) The Franchise Tax Board shall determine  
18 annually the total amount designated pursuant to this  
19 article and notify the Controller of that amount.

20 (b) The Controller shall transfer that amount, less the  
21 direct, actual costs of the Franchise Tax Board for the  
22 collection and administration of funds under this article,  
23 to the State Children’s Trust Fund. The Controller shall  
24 transfer, *upon appropriation by the Legislature*, the  
25 amount of the board’s costs to the board. ~~Notwithstanding~~  
26 ~~Section 13340 of the Government Code, money~~  
27 ~~transferred to the Franchise Tax Board pursuant to this~~  
28 ~~section is hereby continuously appropriated, without~~  
29 ~~regard to fiscal years, to reimburse the board for its costs~~  
30 ~~incurred pursuant to this article.~~

31 18713. It is the intent of the Legislature that this  
32 article create an additional source of funding for a  
33 specified purpose. The funds generated by this article  
34 shall not be used in place of funds from other sources  
35 which are available for appropriation to the State  
36 Children’s Trust Fund.

37 18714. This article applies to taxable years beginning  
38 on or after January 1, 1997.

39 18715. (a) This article shall remain in effect only until  
40 January 1, 2002, and as of that date is repealed, unless a



1 later enacted statute, which is enacted before January 1,  
2 2002, deletes that date.

3 (b) If, in any calendar year, the Franchise Tax Board  
4 estimates by September 1 that contributions described in  
5 this article made on returns filed in that calendar year will  
6 be less than two hundred fifty thousand dollars (\$250,000)  
7 for taxable years beginning in 1997, or the adjusted  
8 amount specified in subdivision (c), as may be applicable,  
9 then this article is repealed with respect to taxable years  
10 beginning on or after January 1 of that calendar year. The  
11 Franchise Tax Board shall estimate the annual  
12 contribution amount by September 1 of each year using  
13 the actual amounts known to be contributed and an  
14 estimate of the remaining year's contributions.

15 (c) For each calendar year, beginning with calendar  
16 year 1998, the Franchise Tax Board shall adjust, on or  
17 before September 1 of that calendar year, the minimum  
18 estimated contribution amount specified in subdivision  
19 (b) as follows:

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

26 (2) The inflation factor adjustment used for the  
27 calendar year shall be based on the figures for the  
28 percentage change in the California Consumer Price  
29 Index received on or before August 1 of the calendar year  
30 pursuant to paragraph (1) of subdivision (h) of Section  
31 17041.

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

37 *SEC. 2. Section 18969 of the Welfare and Institutions*  
38 *Code is amended to read:*

39 18969. (a) There is hereby created in the State  
40 Treasury a fund which shall be known as the State



1 Children's Trust Fund. The fund shall consist of funds  
2 received from a county pursuant to Section 18968, funds  
3 collected by the state and transferred to the fund  
4 pursuant to subdivision (b) of Section 103625 of the  
5 Health and Safety Code and ~~Article 6 (commencing with~~  
6 ~~Section 18711) of Chapter 17 of Part 10~~ Article 2  
7 *(commencing with Section 18711) of Chapter 3 of Part*  
8 *10.2* of Division 2 of the Revenue and Taxation Code,  
9 grants, gifts, or bequests made to the state from private  
10 sources to be used for innovative and distinctive child  
11 abuse and neglect prevention and intervention projects  
12 and money appropriated to the fund for this purpose by  
13 the Legislature. The State Registrar may retain a  
14 percentage of the fees collected pursuant to Section 10605  
15 of the Health and Safety Code, not to exceed 10 percent,  
16 in order to defray the costs of collection. The Franchise  
17 Tax Board may retain up to 5 percent of the taxpayer  
18 contributions to the fund made pursuant to ~~Article 6~~  
19 ~~(commencing with Section 18711) of Chapter 17 of Part~~  
20 ~~10~~ Article 2 *(commencing with Section 18711) of Chapter*  
21 *3 of Part 10.2* of Division 2 of the Revenue and Taxation  
22 Code, to reimburse the board for the costs of  
23 administering that article.

24 (b) ~~Notwithstanding~~—*(1) Except as provided in*  
25 *paragraph (2) and notwithstanding* Section 13340 of the  
26 Government Code, money in the State Children's Trust  
27 Fund is continuously appropriated without regard to  
28 fiscal years to the State Department of Social Services for  
29 the purpose of funding child abuse and neglect  
30 prevention and intervention programs. The department  
31 may not supplant any federal, state, or county funds with  
32 any funds made available through the State Children's  
33 Trust Fund. The department shall use no more than 5  
34 percent of the funds appropriated pursuant to this section  
35 for administrative costs.

36 *(2) Funds transferred to the State Children's Trust*  
37 *Fund pursuant to Article 2 (commencing with Section*  
38 *18711) of Chapter 3 of Part 10.2 of Division 2 of the*  
39 *Revenue and Taxation Code shall be appropriated by the*  
40 *Legislature.*



1 (c) The department may establish positions as needed  
2 for the purpose of implementing and administering child  
3 abuse and neglect prevention and intervention programs  
4 that are funded by the State Children’s Trust Fund.  
5 However, the department shall use no more than 5  
6 percent of the funds appropriated pursuant to this section  
7 for administrative costs.

8 (d) No children’s trust fund money shall be used to  
9 supplant state General Fund money for any purpose.

10 (e) It is the intent of the Legislature that the State  
11 Children’s Trust Fund provide for all of the following:

12 (1) The development of a public-private partnership  
13 by encouraging consistent outreach to the private  
14 foundation and corporate community.

15 (2) Funds for large-scale dissemination of information  
16 that will promote public awareness regarding the nature  
17 and incidence of child abuse and the availability of  
18 services for intervention. These public awareness  
19 activities shall include, but not be limited to, the  
20 production of public service announcements, well  
21 designed posters, pamphlets, booklets, videos, and other  
22 media tools.

23 (3) Research and demonstration projects that explore  
24 the nature and incidence and the development of  
25 long-term solutions to the problem of child abuse.

26 (4) The development of a mechanism to provide  
27 ongoing public awareness through activities that will  
28 promote the charitable tax deduction for the trust fund  
29 and seek continued contributions. These activities may  
30 include convening a philanthropic roundtable,  
31 developing literature for use by the State Bar for  
32 dissemination, and whatever other activities are deemed  
33 necessary and appropriate to promote the trust fund.

