



**STATE BOARD OF EQUALIZATION
STAFF LEGISLATIVE BILL ANALYSIS**

DRAFT

Date Amended:	06/24/08	Bill No:	<u>SB 1641</u>
Tax:	Property Taxes Sales and Use Special Taxes Administration	Author:	Oropeza
Related Bills:			

BILL SUMMARY

This bill would allow the Board of Equalization (Board) and the Franchise Tax Board (FTB) to submit any report required by law in an electronic format, including the submission of an electronic link to the department’s public Web site where the report can be downloaded.

Summary of Amendments

Since the previous analysis, this bill was amended to require that any report submitted in an electronic format be posted on the Board’s public Web site for a period of three years following the due date of the report and that, from then on, a copy be retained in an electronic format in the Board’s permanent records.

ANALYSIS

CURRENT LAW

Existing law requires or requests state and local agencies to prepare and submit various reports to the Governor, the Legislature, and other state entities. Government Code Section 9795 provides that any report required or requested by law to be submitted by a state or local agency to the members of either house of the Legislature generally, shall instead be submitted to the Legislative Counsel, the Secretary of the Senate, and the Chief Clerk of the Assembly. However, this provision does not apply if the report is required or requested by law to be directed to a committee or other specified entity within the Legislature. Existing law provides that, when a state agency submits reports to the Legislative Counsel, the Secretary of the Senate, and the Chief Clerk of the Assembly, it must provide one hard copy and one electronic copy. A state agency report shall include an Internet Web site where the report can be downloaded and a telephone number to call to order a hard copy of the report.

Existing law requires the Legislature to provide a list of reports due from various state and local agencies and to update this list on a continual basis. A list of agencies with reports due can be accessed on the California Legislature Web site at www.agencyreports.ca.gov/.

Under various California Codes, the Board is currently required to produce six statutorily-mandated reports, which includes the Board’s annual report. The following table lists the reports due from the Board:

Section	Report	Due Date
Section 15616 of the Government Code	Report shall include: 1) The assessed value of state-assessed and locally assessed real and personal property in each county and the assessed value of state-assessed and locally assessed property in each incorporated city or town, and 2) Information concerning other Board-administered taxes. (Information required under this section is reported and published in the Board's annual report.)	Annually (Board's annual report)
Section 15624 of the Government Code	Report on all requests made by any county, city, or city and county or the assessor related to the following: 1) rendering advisory or other services, and 2) furnishing auditor and appraisal personnel to aid local taxing authorities in making post audits of personal property.	On the opening day of each regular session of the Legislature
Section 15646 of the Government Code	Final survey report on local assessment procedures and practices employed by county assessors.	On the opening day of each regular session of the Legislature
Section 13292.5 of the Government Code	Requires specified state agencies, including the Board, to submit a report identifying and describing the status of its liquidated and delinquent accounts.	No later than October 31 of each year
Section 30166.1 of the Revenue and Taxation Code	Report evaluating the average actual costs, including labor for applying indicia or impressions, bonding, warehousing, and leasing stamping equipment, including case cutters and packers, associated with applying stamps or meter impressions to cigarette packages.	No later than July 1, 2005, with updates every two years
Section 25178.1 of the Health and Safety Code	Quarterly report on hazardous waste disposal, facilities, and generator fees collected pursuant to Sections 25174.1, 25205.2, and 25205.5 of the Health and Safety Code.	On the 15 th day of the second month following each quarter

In addition, Section 15653 of the Government Code requires the Board to study and report to the Legislature, on or before January 1, 2000, the feasibility and cost to create and maintain a subject matter index of all public records pertaining to Board-administered tax and fee programs. This report was submitted to the Legislature in December 1999.

PROPOSED LAW

This bill would repeal the former Section 15653, and add a new Section 15653 to the Government Code to provide that the Board may submit any report required by law, including any report required under Sections 15616 and 15624 of this code, Section 25178.1 of the Health and Safety Code, and Section 30166.1 of the Revenue and Taxation Code, in electronic format, including the submission of an electronic link to the Board's public Web site where the report can be downloaded.

This bill would also provide that any report submitted in an electronic format shall be posted on the Board's public Web site for a period of three years following the due date

This staff analysis is provided to address various administrative, cost, revenue and policy issues; it is not to be construed to reflect or suggest the Board's formal position

of the report, and, from then on, a copy shall be retained in an electronic format in the Board's permanent records.

The provisions of this bill would become operative on January 1, 2009.

COMMENTS

- 1. Sponsor and purpose.** This bill is sponsored by the author in an effort to reduce duplicative reporting requirements for both the Board and FTB. According to the author's office, many of the reports required to be submitted on paper can also be accessed electronically on the Web site of these agencies. This bill could reduce printing and paper costs and increase storage space. Rather than have these agencies compiling and mailing reports, they could simply host the reports online where interested parties could find them.
- 2. The June 24, 2008 amendments** provide that any report submitted in an electronic format must be posted to the Board's public Web site for a period of three years following the due date of the report, and thereafter a copy must be retained in an electronic format in the Board's permanent records. **The June 5, 2008 amendments** corrected the citation with regard to the legislative report required pursuant to Revenue and Taxation Code Section 30166.1 (not 30116.1).
- 3. This bill specifies that the Board "may" submit any report required by law in an electronic format, including providing a link to the Board's Web site where the report can be downloaded.** The Board would have discretion in determining which reports would be available electronically. If a report is submitted in an electronic format, the Board would be required to post that report on its Web site for a period of three years following the due date of the report and, from then on, retain a copy in an electronic format in its permanent records.

Staff does not see a problem in complying with the provisions of the bill. The Board already has several reports available online, which include the Assessment Practices Surveys, the Board's Annual Reports, and the Taxpayers' Advocate - Property and Business Tax Bill of Rights. These annual reports are maintained on the Board's Web site on an ongoing basis and posted on the Web site for periods greater than three years. Some of the Board's one-time, special reports are also available online for a limited time. For example, the Board's Alternative Methods for Developing Bradley-Burns and Special Taxing Jurisdiction Fees was available online for most of FY 2004-05.

- 4. Board's records retention policy.** The State Records Management Act, contained in Government Code Sections 14740 to 14769, requires all state agencies to establish and administer a records management program for purposes of efficient utilizing, maintaining, retaining, preserving and disposing of state records. Each department within the Board prepares a record retention schedule and is required to take a physical inventory of all its records at least once every five years. The retention schedule, among other things, includes the number of years records are to be retained in the Board's offices or storage facility before destruction or transfer to the State Archives. As an example, the Board's Legislative Section retains all records for a period of 20 years before they are transferred to the State Archives.

Since both the Board and FTB maintain and preserve records in accordance with the State Records Management Act, perhaps the bill should provide that each agency shall retain a copy of the report pursuant to that agency's record retention policy.

5. **Many of the Board's various publications, reports, special notices, and news releases are available online.** An example of these reports is the Motor Vehicle Fuel Tax Distribution report on gasoline and diesel gallonage at www.boe.ca.gov/sptaxprog/spftrpts. In addition, the Board's Research and Statistics Division provides online reports, such as Electronic Commerce and Mail Order Sales, the Economic Perspective Newsletter, and Taxable Sales in California, and the Board also posts certain reports and requests from the Joint Legislative Budget Committee, such as reports containing information on costs related to audit and collection activities of the Board's field offices.

COST ESTIMATE

Enactment of this bill would result in a minor cost savings in the printing and distribution of copies.

REVENUE ESTIMATE

This bill would not impact the state's revenues.

Analysis prepared by: Debra A. Waltz (916) 324-1890 06/30/08

Contact: Margaret S. Shedd (916) 322-2376

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