

## CALIFORNIA COASTAL COMMISSION

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January 8, 2014

TO: Coastal Commissioners and Interested Persons

FROM: Legislative Unit and Legal Division

SUBJECT: LEGISLATIVE REPORT: NEW LAWS MEMO: 2013 Chaptered Legislation

The 2013 California Legislative session resulted in one piece of chaptered legislation that directly amended the Coastal Act, and one bill that refers directly to the Coastal Commission. SB 814 (Chapter 728, Statutes of 2013) was a committee omnibus code cleanup bill that made two technical changes to the Coastal Act. AB 754 (Chapter 323, Statutes of 2013), authorizes California state taxpayers to make a voluntary contribution in excess of their tax liability to the California Beach and Coastal Enhancement Account, to augment the Coastal Commission's Whale Tail Grants Program. The fund will appear on the 2014 tax forms as the "*Protect our Coast and Oceans Fund*."

The following summaries include excerpts of the two bills as enacted.

**1) SB 814 (Senate Natural Resources and Water Committee) Natural Resources: Administration. Chapter 472, Statutes of 2013**

Relevant to the Commission, this bill amends Section 30333 of the Public Resources Code, to eliminate an incorrect cross-reference to Section 11371 of the Government Code. It also amends Section 30620(a)(3) to clarify that the Coastal Commission's procedures for preparing interpretive guidelines to assist local governments and the public in the preparation of LCPs for certification also apply to guidelines for LCP amendments and updates. It also makes non-substantive changes to Section 30620(a)(2) and (c).

Implementation: No action required.

**Section 30333**

(a) Except as provided in Section 18930 of the Health and Safety Code, the commission may adopt or amend, by vote of a majority of the appointed membership ~~thereof~~ of the commission rules and regulations to carry out the purposes and provisions of this division and to govern procedures of this commission.

~~Except~~

(b) ~~Except~~ as provided in Section 18930 of the Health and Safety Code and paragraph (3) of subdivision (a) of Section 30620, these rules and regulations shall be adopted in accordance with the provisions of ~~Chapter 4.5 (commencing with Section 11371)~~ 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. These rules and regulations shall be consistent with this division and other applicable law.

### **Section 30620**

- (a) By January 30, 1977, the commission shall, consistent with this chapter, prepare interim procedures for the submission, review, and appeal of coastal development permit applications and of claims of exemption. These procedures shall include, but are not limited to, all of the following:
- (1) Application and appeal forms.
  - (2) Reasonable provisions for notification to the commission and other interested persons of ~~any~~ an action taken by a local government pursuant to this chapter, in sufficient detail to ensure that a preliminary review of that action for conformity with this chapter can be made.
  - (3) Interpretive guidelines designed to assist local governments, the commission, and persons subject to this chapter in determining how the policies of this division shall be applied in the coastal zone prior to the certification and through the preparation and amendment of local coastal programs. However, the guidelines shall not supersede, enlarge, or diminish the powers or authority of the commission or any other public agency.
- . . . . .
- (c)(1) The commission may require a reasonable filing fee and the reimbursement of expenses for the processing by the commission of ~~an~~ any application for a coastal development permit under this division and, except for local coastal program submittals, for any other filing, including, but not limited to, a request for revocation, categorical exclusion, or boundary adjustment, that is submitted for review by the commission.
- (2) Any coastal development permit fees that are collected by the commission under paragraph (1) shall be deposited in the Coastal Act Services Fund established pursuant to Section 30620.1. This paragraph does not authorize an increase in fees or create any new authority on the part of the commission.

### **2) AB 754 (Muratsuchi) Income taxes: voluntary contributions: California beach and coastal enhancement account. Chapter 323, Statutes of 2013.**

This bill amends Sections 18745 through 18748 of the Revenue and Taxation Code to authorize California state taxpayers to make a voluntary contribution in excess of their tax liability to the California Beach and Coastal Enhancement Account, to augment the Coastal Commission's Whale Tail Grants Program. The fund will appear on the 2014 tax forms as the *"Protect our Coast and Oceans Fund."*

Implementation: The new tax check-off must raise at least \$250,000 each fiscal year in order to remain on the tax forms for the next five years. Coastal Commission staff is collaborating with the author's office and working on several public outreach strategies to educate and encourage taxpayers to contribute to this fund during tax season. Outreach efforts include social media networking, public service announcements, YouTube videos and pro-bono marketing materials.

Any funds disbursed as a result of additional revenues generated by this bill will be subject to appropriation by the Legislature and approval by this Commission.

#### **SECTION 1.**

Article 5.1 (commencing with Section 18745) is added to Chapter 3 of Part 10.2 of Division 2 of the *Revenue and Taxation Code*, to read:

#### *Article 5.1. California Beach and Coastal Enhancement Account*

##### **18745.**

(a) An individual may designate on the tax return, under the space titled "Protect Our Coast and Oceans Fund," that a contribution in excess of tax liability, if any, be made to the California Beach and Coastal Enhancement Account established by paragraph (1) of subdivision (c) of Section 5067 of the Vehicle Code.

(b) A contribution shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation made under subdivision (a) shall be made for any taxable year on the original return for that taxable year, and once made shall be irrevocable. In the event that payments and credits reported on the return, together with any other credits associated with the individual's account, do not exceed the individual's tax liability, if any, the return shall be treated as though no designation had been made. In the event that no designee is specified, the contribution shall, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article, be transferred to the General Fund.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designated accounts on a pro rata basis.

(e) The Franchise Tax Board shall revise the form of the return to include a space labeled the "Protect Our Coast and Oceans Fund" to allow for the designation permitted under subdivision (a). The form shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used for grants and programs that preserve, protect, or enhance coastal resources and promote coastal and marine educational activities for underserved communities.

(f) Notwithstanding any other law, a voluntary contribution designation for the Protect Our Coast and Oceans Fund shall not be added on the tax return until another voluntary contribution designation is removed or as soon as space is available.

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

##### **18746.**

The Franchise Tax Board shall notify the Controller of both the amount of money paid by individuals in excess of their tax liability and the amount of refund money that individuals have designated pursuant to Section 18745 to be transferred to the California Beach and Coastal Enhancement Account. The Controller shall transfer from the Personal Income Tax Fund to the California Beach and Coastal Enhancement Account an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18745 for payment into that account.

**18747.**

All money designated under the Protect Our Coast and Oceans Fund space on a tax return and transferred to the California Beach and Coastal Enhancement Account, pursuant to Section 18745, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) (1) To the California Coastal Commission to support eligible programs awarded grants under the selection criteria established by the California Coastal Commission for the Whale Tail Grants Program, and for direct program-related expenses.

(2) All moneys allocated pursuant to paragraph (1) may be carried over from the year in which they were received.

**18748.**

(a) Except as otherwise provided in subdivision (b), this article shall remain in effect only until January 1 of the fifth taxable year following the first appearance of the Protect Our Coast and Oceans Fund on the personal income tax return, and is repealed as of December 1 of that year.

(b) (1) By September 1 of the second calendar year and each subsequent calendar year that the Protect Our Coast and Oceans Fund appears on the tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the account to appear on the tax return for the taxable year that includes that next calendar year and provide written notification to the California Coastal Commission of the amount determined.

(B) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of the contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article is inoperative with respect to taxable years beginning on or after January 1 of that calendar year, and shall be repealed on December 1 of that calendar year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000) for the second calendar year after the first appearance of the Protect Our Coast and Oceans Fund on the personal income tax return or the minimum contribution amount as adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with the third calendar year after the first appearance of the Protect Our Coast and Oceans Fund on the personal income tax return, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum contribution amount specified in subdivision (b) as follows:

(1) The minimum contribution amount for the calendar year shall be an amount equal to the product of the minimum contribution amount for the prior calendar year multiplied by the inflation factor adjustment as specified in subparagraph (A) of paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

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

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