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GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 3. EXECUTIVE DEPARTMENT [11000 - 15990.3] (Division 3 added by Stats. 1945, Ch. 111.)

PART 2. CONSTITUTIONAL OFFICERS [12001 - 12790] (Part 2 added by Stats. 1945, Ch. 111.)

CHAPTER 5. Controller [12402 - 12482] (Chapter 5 added by Stats. 1945, Ch. 111.)

ARTICLE 2. Duties [12410 - 12431] (Article 2 added by Stats. 1945, Ch. 111.)

12410. The Controller shall superintend the fiscal concerns of the state. The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment. Whenever, in the Controller's opinion, the audit provided for by Chapter 4 (commencing with Section 925), Part 3, Division 3.6 of Title 1 of this code is not adequate, the Controller may make a field or other audit of any claim or disbursement of state money as may be appropriate to that determination.

(Amended by Stats. 2021, Ch. 50, Sec. 67. (AB 378) Effective January 1, 2022.)

12410.5. (a) The Controller shall receive every audit report prepared for any local agency, as defined in Section 53890, in compliance with the federal Single Audit Act of 1984 (31 U.S.C. Sec. 7501 et seq.) and required under any law to be submitted to any state agency, and shall, after ascertaining its compliance with that federal act, transmit the report to the designated state agency.

(b) The audit report shall be submitted to the Controller within nine months after the end of the period audited or pursuant to applicable federal or state law.

(c) An audit report for any local agency submitted to the Controller pursuant to this section shall comply with the Government Auditing Standards issued by the Comptroller General of the United States.

(d) If a local agency does not submit the audit report required by this section to the Controller by the due date established in subdivision (b) of this section, the Controller may appoint a qualified certified public accountant or public accountant to complete the report and to obtain the information required. Any cost incurred by the Controller pursuant to this subdivision, including a contract with, or the employment of, the certified public accountant or public accountant, in completing the audit shall be borne by the local agency and shall be a charge against any unencumbered funds of the local agency.

(e) Before appointing a certified public accountant or public accountant pursuant to subdivision (d), the Controller shall first notify a local agency of its failure to submit the audit report and give the local agency a reasonable amount of time to submit the report.

(f) The Controller shall refer any matters of unprofessional conduct, as defined in Section 5100 of the Business and Professions Code, and multiple and repeated failures to disclose noncompliant acts to the California Board of Accountancy.

(Amended by Stats. 2012, Ch. 231, Sec. 1. (AB 1345) Effective January 1, 2013.)

12410.6. (a) An audit for any local agency, including those submitted to the Controller pursuant to subdivision (a) of Section 12410.5, shall be made by a certified public accountant or public accountant, licensed by, and in good standing with, the California Board of Accountancy.

(b) Commencing with the 2013–14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013–14 fiscal year. The Controller may waive this requirement if the Controller finds that another eligible public accounting firm is not available to perform the audit.

(Amended by Stats. 2021, Ch. 50, Sec. 68. (AB 378) Effective January 1, 2022.)

12411. The Controller shall suggest plans for the improvement and management of the public revenues.

(Added by Stats. 1945, Ch. 111.)

12412. The Controller shall keep and state all accounts in which the State is interested and keep a separate account under the head of each specific appropriation, showing at all times the undisbursed balance of the appropriation.

(Amended by Stats. 1961, Ch. 1298.)

12412.1. The Controller shall:

(a) Account for expenditures as scheduled in the Budget Act. This accounting shall utilize the uniform code structure developed jointly by the Department of Finance and the Controller.

(b) Account for receipt of all federal funds and cross-reference such funds by federal and state activity utilizing the federal revenue accounting system developed by the Department of Finance pursuant to Section 13300.

(c) Report monthly on each department's annual expenditure plan, comparing budget expenditures and actual expenditures as scheduled in the Budget Act and fund source.

(d) Report monthly on revenue with a comparison between actual and estimated revenue.

(e) Maintain a file of all records prepared or maintained by the Controller. The file shall be made available for purposes of the fiscal data system developed pursuant to subdivision (i) of Section 13337.

Reporting requirements under subdivisions (a) to (e), inclusive, of this section may be deemed satisfied upon making data available to the fiscal information system developed pursuant to subdivision (i) of Section 13337.

(Amended by Stats. 1984, Ch. 1286, Sec. 3.)

12413. The Controller shall keep an account between the State and the Treasurer and charge the Treasurer with the balance in the treasury when he comes into office and with all money received by him, and credit him with all warrants drawn on and paid by him.

(Added by Stats. 1945, Ch. 111.)

12415. The Controller may require any person, presenting an account for settlement, to be sworn before him and to answer orally or in writing as to any facts relating to it.

(Added by Stats. 1945, Ch. 111.)

12416. The Controller shall require all persons who have received any money belonging to the State and have not accounted for it to settle their accounts and may inspect the books of any person charged with the receipt, safekeeping, or disbursement of public money.

(Added by Stats. 1945, Ch. 111.)

12417. The Controller may require all persons who have received money or securities, or have had the disposition or management of any property of the state of which an account is kept in the Controller's office to render statements thereof to the Controller. Those persons shall render statements in the timeframe and format required by the Controller.

(Amended by Stats. 2021, Ch. 50, Sec. 69. (AB 378) Effective January 1, 2022.)

12418. The Controller shall direct and superintend the collection of all money due the State, and institute suits in its name:

(a) For all official delinquencies in relation to the assessment, collection, and payment of the revenue.

(b) Against persons who by any means have become possessed of public money or property and fail to pay it over or deliver it.

(c) Against all debtors of the State.

If the action is commenced in a court of competent jurisdiction in Sacramento County such court is the proper court for trial, without regard to the residence of the defendants.

(Added by Stats. 1945, Ch. 111.)

12419. The Controller shall state an account with any person who:

(a) Has received money or has money or other personal property which belongs to the State by escheat or otherwise, or has been intrusted with the collection, management, or disbursement of any money, bonds, or interest accruing therefrom, belonging to or held in trust by the State, and fails to render an account thereof to and make settlement with the Controller within the time prescribed by law, or when no particular time is specified, fails to render such account and make settlement.

(b) Fails to pay into the State treasury any money belonging to the State upon being required so to do by the Controller, within 20 days after such requisition.

In stating such an account, the Controller shall charge 25 per cent damages, and interest at the rate of 10 per cent annually from the time of the failure.

In any action based thereon a copy of such an account is prima facie evidence of the things therein stated. If the Controller can not for want of information state an account, he may in any action brought by him aver that fact, and allege generally the amount of money or other property which is due or belongs to the State.

(Added by Stats. 1945, Ch. 111.)

12419.2. (a) The Controller shall, under the authority to offset granted by Section 12419.5 and in conjunction with the Franchise Tax Board, develop a program to provide for multiple offsets with adjustable priorities and, when a joint return is filed, the ability to cross-match the liable person's social security number.

(b) The Controller shall charge, by arrangement with the entities who elect to participate in the program, an amount sufficient to reimburse the Controller and the Franchise Tax Board for the costs of administration of the program. State agencies participating in the offset program may add the cost of collection, as determined by the Controller, to the amount due the agency.

(Added by Stats. 1984, Ch. 1581, Sec. 1. Effective September 30, 1984.)

12419.3. The Controller shall offset delinquent accounts against personal income tax refunds that have been certified by the Franchise Tax Board, in the following priority:

(a) The nonpayment of child or family support accounts enforced by a local child support agency.

(b) The nonpayment of child or family support accounts enforced by someone other than a local child support agency.

(c) The nonpayment of spousal support accounts enforced by a local child support agency.

(d) The nonpayment of spousal support accounts enforced by someone other than a local child support agency.

(e) The nonpayment of penalties to the Restitution Fund.

(f) The benefit overpayment accounts administered by the Employment Development Department if no signed reimbursement agreement exists, or if two consecutive payments on a reimbursement agreement are delinquent at any time.

(g) The other offset accounts in the priority determined by the Controller.

(Amended by Stats. 2009, Ch. 578, Sec. 1. (SB 314) Effective January 1, 2010.)

12419.3.2. (a) Notwithstanding any other provision of this article, the payments authorized pursuant to Section 8161 of the Welfare and Institutions Code shall not be used to offset any delinquent accounts.

(b) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

(Added by Stats. 2022, Ch. 51, Sec. 1. (AB 192) Effective June 30, 2022. Repealed as of January 1, 2027, by its own provisions.)

12419.3.3. (a) Notwithstanding any other provision of this article, for taxable years beginning on or after January 1, 2024, the Controller shall not offset delinquent accounts against the personal income tax refunds of an individual who received the earned income tax credit under Section 17052 of the Revenue and Taxation Code, the young child tax credit under Section 17052.1 of the Revenue and Taxation Code, or the foster youth tax credit under Section 17052.2 of the Revenue and Taxation Code, for the taxable year.

(b) This section shall not apply to delinquent accounts for the nonpayment of child or family support.

(Amended by Stats. 2023, Ch. 55, Sec. 1. (SB 131) Effective July 10, 2023.)

12419.3.4. Notwithstanding any other provision of this article, the payments authorized pursuant to Chapter 16.1 (commencing with Section 18997.5) of Part 6 of Division 9 of the Welfare and Institutions Code shall not be used to offset any delinquent accounts.

(Added by Stats. 2024, Ch. 1010, Sec. 3. (SB 242) Effective January 1, 2025.)

12419.4. The State has a lien for any taxes due the State from any person or entity, upon any and all personal property belonging to such person or entity and held by the State or amount owed to such person or entity by the State. This section does not apply to salary or wages owing to officers or employees of the State. Except as limited in this section this lien shall apply to all such property held or such amount owed by an agency of the State while such person or entity owes any taxes to that agency or another agency of the State. If the property held or amount owed is subject to Section 12419.5 of this code, the procedure set forth in that section shall be followed in enforcing liens created herein. If the property held or amount owed is not subject to Section 12419.5 of this code, the lien created herein shall be enforced by means of written demand by the creditor state agency on the agency holding the property or

owing the amount involved. The state agency holding the property or, owing the amount involved, upon receipt of such written demand, shall transfer the property, or shall pay the amount which it owes, but not in excess of the taxes specified in the demand, to the creditor state agency. The creditor state agency shall apply such payment to the taxes owing to it, or shall reduce the property so transferred to cash, apply so much as is necessary to pay the taxes owing to it, and remit any excess to the person or entity. If the state agency which holds the property of or owes an amount to the person or entity also is owed taxes by such person or entity, the lien shall be enforced by applying the amount owed by the state agency to the taxes owed to such agency, or by reducing the property to cash and applying the proceeds, or so much thereof as is required, to the taxes owing to the state agency, remitting the excess, if any, to the person or entity. Amounts paid to or applied by a state agency pursuant to this section shall constitute payment by the person or entity involved and the account of such person or entity shall be credited immediately by the collecting state agency.

Immediately upon transfer or payment to another state agency of the property held or amount owed, the agency which had held the property or which had owed the amount involved shall give written notice of the transfer or payment to the person or entity involved. The notice may be served personally or by mail. If served by mail, service shall be made pursuant to Section 1013 of the Code of Civil Procedure and shall be addressed to the person or entity involved at his or its address as it appears in the records of the agency which had held the property or which had owed the amount involved. The service shall be deemed complete at the time of the deposit of the notice in the mail.

Nothing in this section shall permit one state agency to collect or obtain such property or amount from another state agency so long as the latter has any rights against such property or amount. Property held or deposited with any state agency for a particular purpose, such as security for the payment of taxes, shall not be applied to any other purpose by the state agency holding the property or amount until the property or amount is no longer needed for the particular purpose for which the property or amount was held or deposited.

Upon transfer or payment pursuant to the lien created in this section, the state agency which had held the property or had owed the amount involved is relieved and discharged of any and all liability.

(Added by Stats. 1959, Ch. 1994.)

12419.5. The Controller may, in the Controller's discretion, offset any amount due a state agency from a person or entity, against any amount owing that person or entity by any state agency. The Controller may deduct from the claim, and draw the Controller's warrants for the amounts offset in favor of the respective state agencies to which due, and, for any balance, in favor of the claimant. Whenever insufficient to offset all amounts due state agencies, the amount available shall be applied in the manner as the Controller, in the Controller's discretion, shall determine. If, in the discretion of the Controller, the person or entity refuses or neglects to file a claim within a reasonable time, the head of the state agency owing the amount shall file the claim on behalf of that person or entity. If approved by the Controller, the claim shall have the same force and effect as though filed by that person or entity. The amount due any person or entity from the state or any agency thereof is the net amount otherwise owing that person or entity after any offset as provided in this section.

For purposes of this section, an amount owing to a person or entity by any state agency shall include any tax refund.

This section shall not apply to payment of online game prizes of ninety-nine dollars (\$99) or lower by California State Lottery Retailers pursuant to subdivision (a) of Section 8880.32.

(Amended by Stats. 2021, Ch. 50, Sec. 70. (AB 378) Effective January 1, 2022.)

12419.7. For the purposes of Section 12419.5, an amount due a state agency from a person or entity shall include any amount due a community college district from a person for repayment of student financial assistance or any other proper financial obligation due to the district or a college.

If the Controller, in the Controller's discretion, offsets an amount due a community college district from a person pursuant to Section 12419.5, the Controller shall remit the amount offset to the district.

(Amended by Stats. 2021, Ch. 50, Sec. 71. (AB 378) Effective January 1, 2022.)

12419.8. (a) The Controller may, in the Controller's discretion, offset any amount due a city, county, or special district from a person or entity pursuant to paragraph (1), (2), or (4) of subdivision (c), and shall, at the request of the city, county, or special district, offset any amount due a city, county, or special district from a person or entity pursuant to paragraph (3) of subdivision (c), against any amount owing the person or entity by a state agency on a claim for a refund from the Franchise Tax Board under the Personal Income Tax Law or the Bank and Corporation Tax Law, a claim for refund from the State Board of Equalization under the Sales and Use Tax Law, from winnings in the California State Lottery, or a claim filed by the owner, as described in subdivision (d) of Section 1540 of the Code of Civil Procedure, for payment of money from unclaimed property held by the state. Standards and procedures for submission of requests for offsets shall be as prescribed by the Controller. Whenever insufficient funds are available to satisfy an offset request, the Controller, after first applying the amounts available to any amount due a state agency, may allocate the balance among any other requests for offset.

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

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

(1) Where the amount has been reduced to a judgment.

(2) Where the amount is contained in an order of a court.

(3) Where the amount is from a bench warrant for payment of any fine, penalty, or assessment.

(4) Where the amount is delinquent unsecured property taxes on which a certificate lien has been filed for record in the office of the county recorder pursuant to Section 2191.3 of the Revenue and Taxation Code.

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

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

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

(Amended by Stats. 2021, Ch. 50, Sec. 72. (AB 378) Effective January 1, 2022.)

12419.9. (a) For the purposes of Section 12419.5, an amount due a state agency from a person or entity shall include any amount due an educational institution authorized pursuant to subdivision (a) of Section 94760 of the Education Code from a person for repayment of federally subsidized student loans. The Controller may establish procedures to minimize administrative costs of collecting obligations pursuant to this section.

(b) If the Controller, in the Controller's discretion, offsets an amount due an educational institution from a person pursuant to Section 12419.5, the Controller shall remit the amount offset to the educational institution.

(c) Offset pursuant to Section 12419.5 and this section shall be limited to amounts due a person on a claim for a personal income tax refund. Whenever the amount available is insufficient to offset all amounts due state agencies, the amount available shall be applied in such manner as the Controller, in the Controller's discretion, shall determine.

(d) The Controller shall deduct and retain from any amount offset pursuant to this section an amount sufficient to reimburse the Controller and the Franchise Tax Board for the administrative costs of processing the request for an offset.

(e) This section shall become operative on January 1, 1997.

(Amended by Stats. 2021, Ch. 50, Sec. 73. (AB 378) Effective January 1, 2022.)

12419.10. (a) (1) The Controller shall, to the extent feasible, offset any amount overdue and unpaid for a fine, penalty, assessment, bail, vehicle parking penalty, or court-ordered reimbursement for court-related services, from a person or entity, against any amount owing the person or entity by a state agency on a claim for a refund from the Franchise Tax Board under the Personal Income Tax Law or the Bank and Corporation Tax Law, from winnings in the California State Lottery, or a cash payment of a claim for unclaimed property held by the state. Standards and procedures for submission of requests for offsets shall be as prescribed by the Controller. Neither the Controller nor the Franchise Tax Board shall condition a request for offset on the submission of a person's social security number. If sufficient funds are not available to satisfy an offset request, the Controller, after first applying the amounts available to any amount due a state agency, may allocate the balance among any other requests for offset.

(2) Any request for an offset for a vehicle parking penalty shall be submitted within three years of the date the penalty was incurred. This three-year maximum term for refund offsets for parking tickets applies to requests submitted to the Controller on or after January 1, 2004.

(b) Once an offset request for a vehicle parking penalty is made, a local agency may not accrue additional interest charges, collection charges, penalties, or other charges on or after the date that the offset request is made. Payment of an offset request for a vehicle parking penalty shall be made on the condition that it constitutes full and final payment of that offset.

(c) The Controller shall deduct and retain from any amount offset in favor of a city, county, city and county, court, or special district an amount sufficient to reimburse the Controller, the Franchise Tax Board, the California State Lottery, and the Department of Motor Vehicles for their administrative costs of processing the offset payment.

(d) If necessary to confirm the identity of a person before making an offset, the Franchise Tax Board may, upon paying any necessary fees, obtain a social security number from the Department of Motor Vehicles, as authorized by subdivision (f) of Section 1653.5 of the Vehicle Code.

(e) Notwithstanding Division 10 (commencing with Section 7920.000) of Title 1, or any other law, the social security number of a person obtained pursuant to Section 4150, 4150.2, or 12800 of the Vehicle Code is not a public record and shall only be provided by the Department of Motor Vehicles to an authorized agency for the sole purpose of making an offset pursuant to this section for an unpaid vehicle parking penalty or an unpaid fine, penalty, assessment, or bail of which the Department of Motor Vehicles has been notified pursuant to subdivision (a) of former Section 40509 of the Vehicle Code or Section 1803 of the Vehicle Code, responding to information requests from the Franchise Tax Board for the purpose of tax administration, and responding to requests for information from an agency, operating pursuant to and carrying out the provisions of Part A (Block Grants to States for Temporary Assistance for Needy Families), or Part D (Child Support and Establishment of Paternity) of Subchapter IV of Chapter 7 of Title 42 of the United States Code. As used in this section, "authorized agency" means the Controller, the Franchise Tax Board, or the California State Lottery Commission.

(Amended (as amended by Stats. 2021, Ch. 615, Sec. 173) by Stats. 2022, Ch. 800, Sec. 1. (AB 2746) Effective January 1, 2023.)

12419.11. (a) The Labor Commissioner shall submit a request to the Controller to offset amounts due from a person or entity as the result of any judgment issued pursuant to Section 98.2 of the Labor Code that is not satisfied within 90 days of the issuance of a final judgment. The Controller shall, to the extent feasible, offset the unpaid amount of the judgment against any amount owing the person or entity on a claim for refund from the Franchise Tax Board under the Personal Income Tax Law or the Bank and Corporation Tax Law, on a claim for refund from the State Board of Equalization under the Sales and Use Tax Law, or from winnings in the California State Lottery. Standards and procedures for submission of requests for offsets shall be as prescribed by the Controller. Whenever insufficient funds are available to satisfy an offset request, the Controller, after first applying the amounts available to any amount due a state agency, may allocate the balance among any other requests for offset.

(b) At the time a judgment becomes final, corporations against whom a claim is filed shall be required to provide the Labor Commissioner with the corporation's identification number issued by the Secretary of State, and an individual against whom a claim is filed shall be required to provide the individual's social security number.

(Amended by Stats. 2021, Ch. 50, Sec. 74. (AB 378) Effective January 1, 2022.)

12419.12. (a) (1) The Controller shall, to the extent feasible, offset any amount overdue and unpaid for a bridge toll or a high-occupancy toll lane fee and any interest, fine, penalty, bail, collection fee, or other charge on account of nonpayment of the bridge toll or high-occupancy toll lane fee as and when due to a government entity entitled thereto, from a person or entity, against any amount owing the person or entity by a state agency on a claim for a refund from the Franchise Tax Board under the Personal Income Tax Law or the Bank and Corporation Tax Law or from winnings in the California State Lottery. Standards and procedures for submission of requests for offsets shall be as prescribed by the Controller. The government entity shall rank with cities and counties in the priority of agency offset requests if insufficient funds are available to satisfy all offset requests.

(2) Any request for an offset pursuant to this section shall be submitted within three years of the date the bridge toll or high-occupancy toll lane fee was due.

(b) The Controller shall deduct and retain from any amount so offset an amount sufficient to reimburse the Controller, the Franchise Tax Board, the California State Lottery, and the Department of Motor Vehicles for their administrative costs of processing the offset payment.

(Added by Stats. 2009, Ch. 515, Sec. 1. (AB 1175) Effective January 1, 2010.)

12419.13. (a) (1) The Controller shall, upon execution of a reciprocal agreement between the State Board of Equalization or the Franchise Tax Board, and any other state imposing a sales and use tax, an income tax, or tax measured by income, offset any delinquent tax debt due to that other state from a person or entity, against any refund under the Sales and Use Tax Law, the Personal Income Tax Law, or the Corporation Tax Law owed to that person or entity.

(2) Standards and procedures for submission of requests for offsets shall be as prescribed by the Controller.

(3) Payment of the offset amount shall occur only after other offset requests for debts owed by a person or entity to this state or the federal government have been satisfied in accordance with the priority established under Section 12419.3.

(b) The reciprocal agreement identified in subdivision (a) shall prescribe the manner in which the administrative costs of the Controller, the State Board of Equalization, and the Franchise Tax Board shall be reimbursed.

(Added by Stats. 2011, Ch. 455, Sec. 4. (AB 1424) Effective January 1, 2012.)

12420.1. The Controller shall establish special accounts for any state officer or employee requesting salary or wage deductions in order that sufficient funds may be accumulated to the state officer or employee's credit for the purchase of United States savings bonds or similar United States obligations. Funds so accumulated are trust funds and may be withdrawn from the Treasury upon claims filed by the Controller for the purchase of those obligations, or for refunds.

(Amended by Stats. 2021, Ch. 50, Sec. 75. (AB 378) Effective January 1, 2022.)

12420.2. The Controller may purchase annuity contracts on behalf of any state employer under the uniform state payroll system, excluding the California State University System, that employs persons eligible to participate in an annuity contract and custodial account as described in Section 403(b) of the Internal Revenue Code of 1986 provided that all of the following conditions are met:

(a) The annuity contract is under an annuity plan which meets the requirements of subdivision (b) of Section 403 of the Internal Revenue Code.

(b) The employee makes application to the Controller for the purchase and reduction of salary.

(c) All provisions of the Insurance Code applicable to the purchase of those annuities are satisfied.

(Amended by Stats. 2008, Ch. 230, Sec. 10. Effective January 1, 2009.)

12421. The Controller shall authenticate with the Controller's official seal all warrants drawn by the Controller, and all copies of papers issued from the Controller's office. The Controller may affix the Controller's official seal to documents that the Controller issues in any manner desired, including printing, facsimile signature machine, rubber stamp, die, and sealing machine.

(Amended by Stats. 2021, Ch. 50, Sec. 76. (AB 378) Effective January 1, 2022.)

12422. The Controller shall summon county auditors to meet with the Controller or the Controller's duly authorized representatives, at least once each year, in groups and places within the state as may be designated by the Controller for the purpose of discussion of problems dealing with county budget procedure, reporting of financial transactions of the counties, allocation of property tax revenues, including the Special District Augmentation Fund, and to promote uniformity of procedure in all matters pertaining to the duties of county auditors, throughout the state. The expenses of any county auditor attending the meeting shall be a charge against the funds of the county, to be paid in the same manner as other county charges are paid.

(Amended by Stats. 2021, Ch. 50, Sec. 77. (AB 378) Effective January 1, 2022.)

12422.5. (a) On or before January 1, 2015, the Controller shall develop internal control guidelines applicable to each local agency to prevent and detect financial errors and fraud.

(b) The Controller shall develop the internal control guidelines based on standards adopted by the American Institute of Certified Public Accountants and with input from any local agency and organizations representing the interests of local agencies, including, but not limited to, the League of California Cities, the California State Association of Counties, the California Special Districts Association, and the California State Association of County Auditors.

(c) On or before January 1, 2015, the Controller shall post the completed internal control guidelines on the Controller's internet website to assist a local agency, as defined in subdivision (f), in establishing a system of internal controls to safeguard assets and prevent and detect financial errors and fraud.

(d) The Controller shall, with input from the agencies listed in subdivision (b), update the internal control guidelines, as the Controller deems necessary, and maintain a current version on its internet website.

(e) The Controller may audit any local agency for purposes of determining whether the agency's internal controls are adequate to detect and prevent financial errors and fraud.

(f) For purposes of this section, "local agency" means a city, county, city and county, special district, or any other local governmental entity, except a school district.

(Amended by Stats. 2021, Ch. 50, Sec. 78. (AB 378) Effective January 1, 2022.)

12423. The Controller shall summon county tax collectors and redemption officers or the authorized representative of any county tax collector or redemption officer to meet with the Controller or the Controller's duly authorized representatives in groups and places within the state as may be designated by the Controller for the purpose of discussion of tax collection, enforcement of taxes, and problems relating thereto, in order to promote uniformity of procedure in the collection of taxes on real and personal property throughout the state. The actual and necessary expenses of any county officer or the county officer's authorized representative incurred while traveling to and from and while attending the meeting, shall be a charge against the county, to be paid in the same manner as other county charges are paid.

(Amended by Stats. 2021, Ch. 50, Sec. 79. (AB 378) Effective January 1, 2022.)

12424. The Controller may render service pertinent to financial, budgetary and taxation problems and procedures for any county, city, city and county, any other political subdivision, or any district of the State upon such terms and conditions as may be agreed upon between the Controller and the governing body of such county, city, city and county, other political subdivision or district. The money received for such service shall be paid into the State Treasury to the credit and in augmentation of the current appropriation for the support of the State Controller, or, as the case may be, that division of the Controller's Office furnishing the service.

(Added by Stats. 1947, Ch. 1439.)

12425. Upon the submission of claims by a state agency, with the approval of the Department of General Services, the Controller may pay, from appropriations available therefor, money to the United States for costs of a project undertaken by the United States for and in behalf of, or in cooperation with, the State of California, prior to the commencement or completion of the project.

(Amended by Stats. 1965, Ch. 371.)

12427. Each state agency shall reimburse the Controller for the costs associated with any accounting of expenditures incurred in connection with any revenue bonds, not otherwise covered by the cost of issuance or the administrative pro rata assessment collected annually from each department, by or on behalf of such agency as well as any other accounting services performed by the Controller until such time as the bonds are redeemed. The Controller shall invoice the state agency issuing the bonds for the costs incurred and the state agency shall pay the invoice unless disputed.

(Added by Stats. 2012, Ch. 488, Sec. 1. (SB 118) Effective January 1, 2013.)

12428. In the event either the Governor or the Legislature should obtain federal approval to transfer programs receiving federal support for persons with an intellectual disability or a mental health disorder from one state department to another state department under the provisions of Public Law 90-577 (Intergovernmental Cooperation Act of 1968), the Controller shall, upon approval of the Director of Finance, transfer to a department designated by the Governor the parts of the appropriation of the other departments that are related to programs for persons with an intellectual disability or a mental health disorder, provided further, that the transfer shall enable the state to make maximum utilization of available state and federal funds.

(Amended by Stats. 2014, Ch. 144, Sec. 21. (AB 1847) Effective January 1, 2015.)

12429. The Controller may, with the approval of the Department of Finance, seek recovery from the federal government of Social Security contribution overpayments made with regard to the compensation of employees who were on approved leaves of absence on account of sickness, in accordance with federal law. The program shall be conducted by the Controller on behalf of the state and its departments and agencies, including the California State University. The activities may also be conducted by and for the University of California.

This program shall be self supporting from recovered funds. Notwithstanding the provisions of Section 13340, there is hereby appropriated to the Controller from the recovered funds: (a) an amount sufficient to pay the reasonable costs, including contractual services, as approved by the Department of Finance, of the Controller in administering this program; (b) the amount of any recovered overpayments of employee contributions, for refund to the employees; (c) the amount of the balance of the recovered funds after application of subdivisions (a) and (b), for deposit in the respective funds from which they were originally derived.

A private vendor may be utilized in the execution of the program and on such terms and conditions as are acceptable to the Department of Finance and the Controller.

The Controller may establish an OASDI Refund Account in the Payroll Revolving Fund for receipt of related funds and for payment of costs. Any recovery of OASDI funds may be reflected in a credit or credits granted by the Social Security Administration against current employer and employee contributions, in which case, an amount equivalent to the credit or credits shall be transferred from the moneys in the Payroll Revolving Fund to the OASDI Refund Account.

(Added by Stats. 1983, Ch. 323, Sec. 39.8. Effective July 1, 1983.)

12431. Prior to the payment of any claim from funds appropriated pursuant to Section 7 of Chapter 1123 of the Statutes of 1977, the Controller shall require the claimant to certify in writing that it has attempted to recover its costs pursuant to Sections 1203.1 and 1203.1b of the Penal Code.

(Added by Stats. 1984, Ch. 268, Sec. 21.5. Effective June 29, 1984.)