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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 2.5. Discharge of State Entity from Duty to Collect [12433 - 12439] (Article 2.5 heading added by Stats. 2016, Ch. 31, Sec. 95.)

12433. Any state agency or employee required to collect any state taxes, licenses, fees, or money owing to the state for any reason that is due and payable may be discharged by the Controller from accountability for the collection of the taxes, licenses, fees, or money if the debt is uncollectible or the amount of the debt does not justify the cost of its collection.

(Added by renumbering Section 13940 by Stats. 2016, Ch. 31, Sec. 110. (SB 836) Effective June 27, 2016.)

12434. The application for a discharge under this article shall be filed with the Controller and include the following:

- (a) A statement of the nature and amount of the tax, license, fee, or other money due.
- (b) The names of the persons liable.
- (c) The estimated cost of collection.
- (d) All other facts warranting the discharge, unless the Controller determines that the circumstances do not warrant the furnishing of detailed information.

(Added by renumbering Section 13941 by Stats. 2016, Ch. 31, Sec. 111. (SB 836) Effective June 27, 2016.)

12435. The Controller shall audit the applications. The Controller shall discharge the applicant from further accountability for collection and authorize the applicant to close its book on that item if the Controller determines the following:

- (a) The matters contained in the application are correct.
- (b) No credit exists against which the debt can be offset.
- (c) Collection is improbable for any reason.
- (d) The cost of recovery does not justify the collection.
- (e) For items that exceed the monetary jurisdiction of the small claims court, the Attorney General has advised, in writing, that collection is not justified by the cost or is improbable for any reason.

(Added by renumbering Section 13942 by Stats. 2016, Ch. 31, Sec. 112. (SB 836) Effective June 27, 2016.)

12436. The Controller may discharge from accountability a state agency for accounts that do not exceed the amount specified in subdivision (e) of Section 12435 and thereby authorize the closing of the agency's books in regard to that item.

(Added by renumbering Section 13943 by Stats. 2016, Ch. 31, Sec. 113. (SB 836) Effective June 27, 2016.)

12437. (a) Except as provided in subdivision (b), a discharge granted pursuant to this article to a state agency or employee does not release any person from the payment of any tax, license, fee, or other money that is due and owing to the state.

(b) A discharge granted pursuant to this article to the Franchise Tax Board shall release a person from a liability for the payment of any tax, fee, or other liability deemed uncollectible that is due and owing to the state and extinguish that liability, if at least one of the following conditions is met:

- (1) The liability is for an amount less than five hundred dollars (\$500).

(2) The liable person has been deceased for more than four years and there is no active probate with respect to that person.

(3) The Franchise Tax Board has determined that the liable person has a permanent financial hardship.

(4) The liability has been unpaid for more than 30 years.

(Added by renumbering Section 13943.1 by Stats. 2016, Ch. 31, Sec. 114. (SB 836) Effective June 27, 2016.)

12438. A state agency is not required to collect taxes, licenses, fees, or money owing to the state for any reason if the amount to be collected is five hundred dollars (\$500) or less. Nothing contained in this section shall be construed as releasing any person from the payment of any money due the state.

(Added by renumbering Section 13943.2 by Stats. 2016, Ch. 31, Sec. 115. (SB 836) Effective June 27, 2016.)

12438.1. Notwithstanding any other provision of this article, the Controller may discharge the Department of Water Resources from accountability for collection of the loan issued to the Arrowhead Manor Water Company in 1980 under the California Safe Drinking Water Bond Law of 1976, but only if San Bernardino County or its county service area acquires the water system financed by the loan issued to the Arrowhead Manor Water Company and pays the amount of nine hundred ten thousand five hundred twenty dollars (\$910,520) in complete satisfaction of that loan, on or before January 30, 2009.

(Added by renumbering Section 13943.3 by Stats. 2016, Ch. 31, Sec. 116. (SB 836) Effective June 27, 2016.)

12439. (a) The Controller may investigate, inquire, and, if necessary, conduct hearings concerning property in the possession of the Treasurer which has escheated to the state from the estates of deceased persons pursuant to a judgment of escheat or pursuant to a distribution to the state under Section 11900 of the Probate Code.

(b) After investigation, inquiry, and hearing, the Controller may relieve the Treasurer from any liability arising from the possession of and sell, or authorize the Treasurer to destroy or otherwise dispose of, any such property as it deems proper.

(Added by renumbering Section 13944 by Stats. 2016, Ch. 31, Sec. 117. (SB 836) Effective June 27, 2016.)