

From: Christi Grab [REDACTED]
Subject: Legislative Request Change: Repeal of Four Laws that Violate Due Process Laws Guaranteed in the Bill of Rights -- I believe the Federal Supreme Court would overturn all four.

Date: January 13, 2026 at 7:31 AM

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January 13, 2026

Dear Senate Revenue and Taxation Committee:

I am writing to request that you enact some legislative change in the 2025 legislative cycle in order to bring California laws in line with the Constitution. I made similar requests in 2022 and 2024 and you chose not to carry them. These requests are more clear; I hope you will carry them now that they are more specific: repeal CA Code of Civil Procedure section 706.74; Revenue and Taxation Code (R&TC) section 18670; R&TC section 19221 and Gov Code section 7170.

In 2021 and 2022, I requested that Franchise Tax Board (FTB) disclose the legal codes that it utilizes in order to evade the laws requiring a Superior Court judge's authorization prior to imposing wage garnishment, levies and liens. FTB provided none. Instead, then Taxpayer Advocate Brenda Voet wrote <https://www.ftb.ca.gov/about-ftb/meetings/taxpayer-bill-of-rights/2022-bor-final-responses-grab.pdf>:

"Due process is satisfied by providing individuals with reasonable notice and an opportunity to be heard."

The Bill of Rights Amendments 5, 6 and 7 state otherwise:

The 5th amendment requires due process of law: "...nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law;"

The 6th amendment defines what due process means in criminal cases, which includes a trial with an impartial jury: "In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his defence.

The 7th amendment also defines due process in civil cases as a trial by jury: "In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law."

I asked again asked for legal codes in 2023. Taxpayer Advocate Angela Jones responded with <https://www.ftb.ca.gov/about-ftb/meetings/taxpayer-bill-of-rights/2024-Grab-FTB-TBOR-Reply.pdf>:

"FTB disagrees that its issuance of wage garnishments, bank levies, and liens without judicial approval is unlawful. Several California statutes directly authorize FTB to issue these instruments, such as Earnings Withholding Orders for Taxes (commonly known as wage garnishments) under CA Code of Civil Procedure section 706.74; Orders to Withhold (commonly known as levies) under Revenue and Taxation Code (R&TC) section 18670; and liens pursuant to R&TC section 19221 and Gov Code section 7170."

The referenced laws are written out below. I believe that all of these laws would be struck down by the Supreme Court as unconstitutional as they clearly violate our rights to due process as spelled out in the Bill of Rights Amendments 5, 6 and 7. Not only is there no jury trial, there is no trial of any sort. The state determines you owe money because they said so, and if you disagree, they impose involuntary collection tools without any opportunity to prove to an impartial third party that the debt is not owed.

I am going to share my own experience to illustrate how, as part of their standard operating procedures, FTB systematically defrauds people by falsely imposing tax liabilities, penalties and fees that are not actually owed.

FTB sent me a Notice of Proposed assessment for tax year 2011 stating that we had an outstanding tax liability. My husband and I each filed a Protest with FTB, stating that the debt was not owed as we had already overpaid the tax liability, but FTB had not applied the funds to our account. I sent the Protests via tracked mail, so I had confirmation that the letters were received by FTB within the 60-day deadline. FTB claimed to have never received the Protests, so they stated that the liability was now due in full — the fact that they already had the money in hand seemed to be irrelevant to FTB, as did the fact that I had a confirmation that they had received the Protest.

On 11-26-2013, FTB filed a wage garnishment against my husband for tax year 2011. In trying to clarify FTB's "error," we found out that FTB had "misapplied" two payments, one for \$9,000 and one for \$3,500. A third payment made via credit elect for \$4,393 "could not be located." I'll share more of the story via an excerpt from a document that I submitted to the San Diego Superior Court in the lawsuit of *Christine N. Grab v The California Franchise Tax Board*:

"Many of these irregularities are so egregious that I believe they qualify as fraudulent. For example, on 01-23-2014, I made a \$9,000 estimated tax payment designated for tax year 2011 (this was a repayment of a previous payment that had been "misapplied" and refunded to us). In Exhibit 49, Accounting Irregularities, I documented in questions 10F, 15C, 16C, 16D, 16F, and 23C that this one payment was applied to four different tax years on overlapping dates.

Per the Taxpayer Advocate's stated policy of withholding estimated tax payments made by married couples until that year's return is filed, the \$9,000 payment should have been applied to tax year 2011 on 03-06-2014, the day that FTB received our tax year 2011 returns. However, FTB representatives insisted that the \$9,000 payment could not be located no matter how many times I sent in the canceled check. As I documented in Exhibit 52, pages 6 – 7, Qs 20 – 25, FTB filed a new wage garnishment against my husband on 06-27-2014 for \$3,851.11. Meanwhile, FTB's own accounting ledgers that were submitted to this court by FTB state that on 06-27-2014, that single \$9,000 payment was simultaneously fully applied to both tax years 2011 and 2013. Per FTB's own 2011 ledger, this garnishment was filed despite the fact that our 2011 tax was paid in full and no money was due

garnishment was filed despite the fact that our 2011 tax year was paid in full and no money was due.

This is only one of the fifteen “lost” payments. All of the “lost” payments have accounting irregularities surrounding them, and all of them were difficult and time consuming for me to rectify.”

Meanwhile, the \$4,393 still "could not be located." Had either payment been applied, the wage garnishment would not have been imposed. Furthermore, in court, FTB admitted that it had timely received our 2011, 2013 and 2014 Protests, but had “misclassified” *all six of them* (one each year for me and one for my husband) — and for all three years, the liabilities had been falsely imposed as a result of FTB’s systematic accounting fraud. Clearly, “misclassifying” Protests is a standard operating procedure in order to unlawfully deny constituents the Taxpayer Right to Protest.

Both times the garnishments were filed, I should have had the right to go before a jury to prove the debt was not owed. Instead, my rights to due process were violated.

I would encourage you to read Exhibits 49, entitled *Accounting Irregularities*, Exhibits 52, titled *Plaintiff’s Request for Admissions*, and the *Statements of Undisputed Facts and Supporting Evidence in Opposition to Motion for Summary Judgment* (SUF numbers 29 - 67 expose violations of Right to Protest and 68 - 129 expose accounting fraud). It is well worth your time to understand how extensive FTB’s accounting fraud is and the mechanisms that FTB utilizes to systematically violate the rights granted under the Taxpayers Bill of Rights. The documents can be downloaded from here:

<https://roa.sdcourt.ca.gov/roa/faces/CaseSearch.xhtml>. The case number is year 2020 number 00005100. The Exhibits are attached to item #39, *The Declaration. The Statement of Undisputed Facts* is item #86. If you’d like to read the rest of the *Reply Brief* that I quoted from above, it is item #68.

If FTB had real accountability to a third party, these kind of “mistakes” would quickly cease. If you want to put a stop to the accounting irregularities, being held accountable to a neutral third party is the solution.

FTB gets away with these *bona fide* criminal schemes because of these unconstitutional laws that stop constituents from receiving our right to due process — the prevention crimes such as these is exactly the reason the founding fathers put these personal protections into the constitution in the first place. Please, do the right thing for your constituents. I look forward to your correcting this issue early in the 2026 legislative cycle.

Regards,

Christine Grab
Psalm 64

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Text of laws to be repealed:

CA Code of Civil Procedure section 706.74 clearly states that it is circumventing the 7th Amendment rights by imposing collection tools without a jury trial:

"706.074. (a) The state may itself issue a withholding order for taxes under this section to collect a state tax liability. The order shall specify the total amount required to be withheld pursuant to the order (unpaid tax liability including any penalties, accrued interest, and costs).

(b) Unless a lesser amount is specified in the order, the amount to be withheld by the employer each pay period pursuant to an order issued under this section is the amount required to be withheld under Section 1673(a) of Title 15 of the United States Code, and is not subject to the exception provided in Section 1673(b) of Title 15 of the United States Code."

Revenue and Taxation Code (R&TC) section 18670 clearly states that it is circumventing the 7th Amendment rights by imposing collection tools without a jury trial:

18670. (a) The Franchise Tax Board may by notice, served personally or by first-class mail, require any employer, person, officer or department of the state, political subdivision or agency of the state, including the Regents of the University of California, a city organized under a freeholders' charter, or a political body not a subdivision or agency of the state, having in their possession, or under their control, any credits or other personal property or other things of value, belonging to a taxpayer or to an employer or person who has failed to withhold and transmit amounts due pursuant to this article, to withhold, from the credits or other personal property or other things of value, the amount of any tax, interest, or penalties due from the taxpayer or the amount of any liability incurred by that employer or person for failure to withhold and transmit amounts due from a taxpayer under this part and to transmit the amount withheld to the Franchise Tax Board at the times that it may designate. However, in the case of a depository institution, as defined in Section 19(b) of the Federal Reserve Act (12 U.S.C.A. Sec. 461(b)(1)(A)), amounts due from a taxpayer under this part shall be transmitted to the Franchise Tax Board not less than 10 business days from receipt of the notice. To be effective, the notice shall state the amount due from the taxpayer and shall be delivered or mailed to the branch or office reported in information returns filed with the Franchise Tax Board, or the branch or office where the credits or other property is held, unless another branch or office is designated by the employer, person, officer or department of the state, political subdivision or agency of the state, including the Regents of the University of California, a city organized under a freeholders' charter or a political body not a subdivision or agency of the state.

(b) (1) At least 45 days before sending a notice to withhold to the address indicated on the information return, the Franchise Tax Board shall request a depository institution to do either of the following:

(A) Verify that the address on its information return is its designated address for receiving notices to withhold.

(B) Provide the Franchise Tax Board with a designated address for receiving notices to withhold.

(2) Once the depository institution has specified a designated address pursuant to paragraph (1), the Franchise Tax Board shall send all notices to that address unless the depository institution provides notification of another address. The Franchise Tax Board shall send all notices to withhold to a new designated address 30 days after notification.

(3) Failure to verify or provide a designated address within 30 days of receiving the request shall be deemed verification of the address on the information return as the depository institution's designated address.

(c) (1) Notwithstanding Section 8112 of the Commercial Code and Section 700.130 of the Code of Civil Procedure, when the Franchise Tax Board, pursuant to this section or Section 18670.5, issues a levy upon, or requires by notice, any person, financial institution, or securities intermediary, as applicable, to withhold all, or a portion of, a financial asset for the purpose of collecting a delinquent tax liability, the person, financial institution, or securities intermediary, as defined in Section 8102 of the Commercial Code, that maintains, administers, or manages that asset on behalf of the taxpayer, or has the legal authority to accept instructions from the taxpayer as to the disposition of that asset, shall liquidate the financial asset in a commercially reasonable manner within 90 days of the issuance of the order to withhold. Within five days of liquidation, the person, financial institution, or securities intermediary, as applicable, shall remit to the Franchise Tax

Board the proceeds of the liquidation, less any reasonable commissions or fees, or both, which are charged in the normal course of business.

(2) If the value of the financial assets to be liquidated exceeds the tax liability, the taxpayer may, within 60 days after the service of the order to withhold upon the person, financial institution, or securities intermediary, instruct the person, financial institution, or securities intermediary as to which financial assets are to be sold to satisfy the tax liability. If the taxpayer does not provide instructions for liquidation, the person, financial institution, or securities intermediary shall liquidate the financial assets in a commercially reasonable manner and in an amount sufficient to cover the tax liability, and any reasonable commissions or fees, or both, which are charged in the normal course of business, beginning with the financial assets purchased most recently.

(3) For purposes of this section, a financial asset shall include, but not be limited to, an uncertificated security, certificated security, or security entitlement as defined in Section 8102 of the Commercial Code, a security as defined in Section 8103 of the Commercial Code, or a securities account as defined in Section 8501 of the Commercial Code.

(d) Any corporation or person failing to withhold the amounts due from any taxpayer and transmit them to the Franchise Tax Board after service of the notice shall be liable for those amounts. However, in the case of a depository institution, if a notice to withhold is mailed to the branch where the account is located or principal banking office, the depository institution shall be liable for a failure to withhold only to the extent that the accounts can be identified in information normally maintained at that location in the ordinary course of business.

R&TC section 19221 clearly states that it is circumventing the 7th Amendment rights by imposing collection tools without a jury trial:

19221. (a) If any taxpayer or person fails to pay any liability imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) at the time that it becomes due and payable, the amount thereof, (including any interest, additional amount, addition to tax, or penalty, together with any costs that may accrue in addition thereto) shall thereupon be a perfected and enforceable state tax lien. This lien is subject to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code.

(b) For the purpose of this section, amounts are “due and payable” on the following dates:

(1) For amounts of any liability disclosed on a return filed on or before the date payment is due (with regard to any extension of time to pay), the date the amount is established on the records of the Franchise Tax Board, except that in no case will it be prior to the day after the payment due date;

(2) For amounts of any liability disclosed on a return filed after the date payment is due (with regard to any extension of time to pay), the date the amount is established on the records of the Franchise Tax Board;

(3) For amounts of any liability determined under Section 19081 or 19082 (pertaining to jeopardy assessments), the date the notice of the Franchise Tax Board’s finding is mailed or issued;

(4) For all other amounts of liability, the date the assessment is final.

(c) Notwithstanding subdivision (a), during any period that Section 362 of Title 11 of the United States Code applies, any tax lien that would otherwise attach to property by reason of subdivision (a) shall not take effect, unless the tax is a debt of the debtor that will not be discharged in the bankruptcy proceeding and the property or its proceeds are transferred out of the bankruptcy estate to, or otherwise revested in, the debtor.

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Gov Code section 7170 clearly states that it is circumventing the 7th Amendment rights by imposing collection tools without a jury trial:

7170. (a) Except as provided in subdivisions (b) and (c), a state tax lien attaches to all property and rights to property whether real or personal, tangible or intangible, including all after-acquired property and rights to property, belonging to the taxpayer and located in this state. A state tax lien attaches to a dwelling notwithstanding the prior recording of a homestead declaration (as defined in Section 704.910 of the Code of Civil Procedure).

(b) A state tax lien is not valid as to real property against the right, title, or interest of any of the following persons where the person's right, title, or interest was acquired or perfected prior to recording of the notice of state tax lien in the office of the county recorder of the county in which the real property is located pursuant to Section 7171:

- (1) A successor in interest of the taxpayer without knowledge of the lien.
- (2) A holder of a security interest.
- (3) A mechanic's lienor.
- (4) A judgment lien creditor.

(c) A state tax lien is not valid as to personal property against:

- (1) The holder of a security interest in the property whose interest is perfected pursuant to Section 9308 of the Commercial Code prior to the time the notice of the state tax lien is filed with the Secretary of State pursuant to Section 7171.
- (2) Any person (other than the taxpayer) who acquires an interest in the property under the law of this state without knowledge of the lien or who perfects an interest in accordance with the law of this state prior to the time that the notice of state tax lien is filed with the Secretary of State pursuant to Section 7171.
- (3) A buyer in ordinary course of business who, under Section 9320 of the Commercial Code, would take free of a security interest created by the seller.
- (4) Any person (other than the taxpayer) who, notwithstanding the prior filing of the notice of the state tax lien:
 - (A) Is a holder in due course of a negotiable instrument.
 - (B) Is a holder to whom a negotiable document of title has been duly negotiated.
 - (C) Is a protected purchaser of a security or is a person entitled to the benefits of Section 8502 or 8510 of the Commercial Code.
 - (D) Is a purchaser of chattel paper who gives new value and takes possession of the chattel paper in the ordinary course of the purchaser's business or a purchaser of an instrument who gives value and takes possession of the instrument in good faith.
 - (E) Is a holder of a purchase money security interest.
 - (F) Is a collecting bank holding a security interest in items being collected, accompanying documents and proceeds, pursuant to Section 4210 of the Commercial Code.
 - (G) Acquires a security interest in a deposit account or in the beneficial interest in a trust or estate.
 - (H) Acquires any right or interest in letters of credit, advices of credit, or money.
 - (I) Acquires without actual knowledge of the state tax lien a security interest in or a claim in or under any policy of insurance including unearned premiums.

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(J) Acquires any right or interest in property subject to a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate of title is required as a condition of perfection of the security interest.

(K) Is a purchaser of an instrument who would have priority under subdivision (d) of Section 9330 of the Commercial Code.

(L) Is a purchaser of investment property who would have priority under paragraph (1), (3), (4), or (5) of Section 9328 of the Commercial Code.

(M) A transferee of money who would take free of a security interest under Section 9332 of the Commercial Code.

(5) A judgment lien creditor whose lien was created by the filing of a notice of judgment lien on personal property with the Secretary of State prior to the time the notice of state tax lien is filed with the Secretary of State pursuant to Section 7171.