



Mendocino County

Legislation Text

File #: 19-0713, **Version:** 1

To: Board of Supervisors

From: Treasurer-Tax Collector

Meeting Date: August 20, 2019

Department Contact: Julie Forrester

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Department Contact: Shari L. Schapmire

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Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Approval to Discharge from Accountability the Attached List of Cases Comprised of Delinquent Fines, Penalties, Fees, and Assessments Determined to be Non-Collectible Due to Age of Debt, Debtor Inability to Pay, or Lack of Information Available to Locate Debtor and Where the Cost of Recovery Exceeds That of Collection

Recommended Action/Motion:

Approve the discharge of accountability, for the attached list of cases comprised of delinquent fines, fees, penalties, and assessments determined to be non-collectible due to age of debt, debtor inability to pay, or lack of identifying information and where the cost of recovery exceeds that of collection.

Previous Board/Board Committee Actions:

The Board approved a request for discharge of outstanding receivables on May 22, 2018.

Summary of Request:

Government Code section 25257 authorizes any employee charged with the collection of fines or fees to apply to the Board of Supervisors for a discharge from accountability any debt that the cost of recovery exceeds that of collection. Attached is a list of cases with debt 10 years in age or determined to be non-collectible. Debt is also determined to be non-collectible if the debtor is deceased, lives out of country, has a higher tax liability, is incarcerated in California Department of Corrections and Rehabilitation, or if the debtor identifying information is missing that is needed in order to effect collection action. These cases have had a variety of collection tools utilized to enforce debt collection as applicable to the underlying debt or debtor profile: including collection notices, phone calls, payment plans, DMV holds, abstract of judgments, and creditor's claims in Probate cases and Excess Proceeds claims from tax sales; referred to Franchise Tax Board for wage garnishments or bank levies; an intercept of a California tax refund, lottery winnings, unclaimed property, and/or referred to a private collection agency. All of these efforts have been exhausted and those agencies have also been unsuccessful in the collection of this outstanding debt. Any further billing or collection action does not warrant the expense involved and if it remained outstanding would not provide a realistic accounts receivable total for court-ordered debt collection. The requesting department verifies the information contained in the attached reports is true and correct based on information and belief. Government Code section 25259 authorizes the Board of Supervisors to make an order discharging the department from accountability and write off the debt. The total amount requested for discharge is \$7,575,924.16.

This discharge request is substantially larger than past years due to a large clean-up effort to capture delinquent debt that had previously not been written off but qualified given the above criteria. Some debt is as old as 1998 court cases, due to having not been picked up correctly in queries, and had not previously been requested for discharge. In addition, since going live with new collection software in FY 16-17, focus has been on solidifying workflows, collections processes, and automation and therefore identifying debt for discharge was not prioritized and therefore not fully captured in previous discharge requests.

Alternative Action/Motion:

Do not approve the discharge of debt and direct staff to continue to pursue this delinquent debt.

Supplemental Information Available Online at: N/A

Fiscal Impact:

Source of Funding: N/A

Budgeted in Current F/Y: N/A

Current F/Y Cost: N/A

Annual Recurring Cost: N/A

Supervisory District: All

Vote Requirement: Majority

Agreement/Resolution/Ordinance Approved by County Counsel: N/A

CEO Liaison: Darcie Antle, DCEO

CEO Review: Yes

Comments:

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Executed By: Karla Van Hagen, Senior Deputy Clerk

Final Status: Approved



Date: August 20, 2019

Note to Department Number of Original Agreements

Returned to Dept: Choose an item. Original Agreement

Delivered to Auditor? Choose an item.