



Legislation Details (With Board Report)

File #: A 17-415 **Name:** Authorize Treasurer-Tax Collector's Revenue Div. to renew Franchise Tax Board State Contract-Jan 1, 2018-Dec 31, 2020

Type: BoS Agreement **Status:** Passed

File created: 10/16/2017 **In control:** Board of Supervisors

On agenda: 11/7/2017 **Final action:** 11/7/2017

Title: Authorize the Treasurer-Tax Collector's Revenue Division to renew the Franchise Tax Board (FTB) Court-Ordered Debt collection program State Standard Contract for the period of January 1, 2018 to December 31, 2020 and direct the Chair of the Board to sign the State Standard Contract renewal.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. Attachment A-Franchise Tax Board-State Standard Contract, 3. Completed Board Order

Date	Ver.	Action By	Action	Result
11/7/2017	1	Board of Supervisors	approved	

Authorize the Treasurer-Tax Collector's Revenue Division to renew the Franchise Tax Board (FTB) Court-Ordered Debt collection program State Standard Contract for the period of January 1, 2018 to December 31, 2020 and direct the Chair of the Board to sign the State Standard Contract renewal.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the Treasurer-Tax Collector's Revenue Division to renew the Franchise Tax Board (FTB) Court-Ordered Debt Collection Program State Standard Contract for the period January 1, 2018 to December 31, 2020 and direct the Chair of the Board to sign the State Standard Contract renewal.

SUMMARY:

Board approval is required to renew the State Standard Contract with the Franchise Tax Board. The Board previously renewed the State Standard Contract with the Franchise Tax Board on December 09, 2014, Agreement Number C1400120, Resolution No. 14-1285.

DISCUSSION:

With passage of AB3343/Hannigan (Chapter 1242, Statutes of 1994) the FTB was given the authority to form partnerships with California counties for the purpose of reducing the amount of court-ordered debt owed in the state. The FTB Court-Ordered collection program is the result of this enabling legislation.

Because the FTB collects personal income, corporate franchise and income tax, they have access to income records, wage information, interest, and dividend information not available to the county. As a result, they can quickly determine debtor assets and issue administrative levies. To date, 55 counties and/or courts take advantage of this program. The FY 2016-17 collections on behalf of Monterey County were approximately \$3.2 million. The FTB charges an administrative fee of 15% of total collections for a net collection amount of

\$2.8 million.

The Treasurer-Tax Collector's Revenue Division collects primarily debt ordered by the Monterey County Superior Court consisting of certain criminal fines, penalties, forfeitures and restitution orders, as well as most Vehicle Code violations. Of these court-ordered debts, it is estimated that 35% would meet FTB criteria and subsequently be eligible for referral.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved the FTB contract and the CAO's Budget office has also reviewed.

FINANCING:

This State Standard contract is projected to generate approximately \$2.75 million in net collections in FY 2017-18. The General Fund and specific statutorily mandated County programs receive approximately 35% (\$962,500) of the net collected dollars. This revenue estimate is included in Treasurer-Tax Collector/Revenue Division's (1170-8264) FY 2017-18 budget. The remaining funds collected are distributed to public entities other than the County, including but not limited to the State, Cities, other jurisdictions, and/or the Courts, as mandated by law.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Increase County Resources through a collaborative effort with the State Franchise Tax Board's Court Ordered Debt program to collect delinquent Court imposed fines and fees.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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All attachments are on file with the Clerk of the Board:
Attachment A - Franchise Tax Board State Standard Contract