



Board Report

File #: 21-760, Version: 2

- a. Approve and authorize the Treasurer-Tax Collector's Revenue Division Application for Discharge from Accountability for the collection of delinquent court-ordered criminal and traffic fines, fees, penalties, and assessments deemed uncollectible due to age of debt and lack of value where the cost of recovery exceeds the cost of collection efforts, per Government Code Section 25257; and
- b. Authorize the Treasurer-Tax Collector or her designee to take all necessary and appropriate action to discharge the accountability of delinquent court-ordered accounts pursuant to Government Code Section 25259.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Treasurer-Tax Collector's Revenue Division Application for Discharge from Accountability for the collection of delinquent court-ordered criminal and traffic fines, fees, penalties, and assessments deemed uncollectible due to age of debt and lack of value where the cost of recovery exceeds the cost of collection efforts, per Government Code Section 25257; and
- b. Authorize the Treasurer-Tax Collector or her designee to take all necessary and appropriate action to discharge the accountability of delinquent court-ordered accounts pursuant to Government Code Section 25259.

SUMMARY:

In compliance with the County's Memorandum of Understanding (MOU) with the Superior Court of Monterey County, the Treasurer-Tax Collector's Revenue Division (TTCRD) collects delinquent criminal and traffic fines, fees, penalties, and assessments. To support these responsibilities, the TTCRD maintains a large database of accounts for monies owed and actively collects on these accounts using techniques that meet the Judicial Council approved collection best practices. However, not all accounts are collectible and as they age the cost of continued active collection exceeds the value of the original fine. It is at this point an account becomes eligible for discharge from accountability. A discharge from accountability relieves the TTCRD from any further responsibility for collecting or accounting for the debt. It does *not* constitute a release of any person from liability for payment of the amounts discharged.

DISCUSSION:

Pursuant to Government Code Sections 25257-25259.95, discharge from accountability may be performed on infractions, misdemeanors, and felonies once collecting entities determine them uncollectible. The code however is silent regarding a recommended period for discharging court-ordered debt, but the State Judicial Council's Revenue and Collections Unit recommends discharging infraction cases after five years without payment and misdemeanor and felony cases after ten years without payment. Also, Government Code Section 25257(b) authorizes and establishes that any collection program operated by a county may apply to the Board of Supervisors for a discharge from accountability of court-ordered debt if the amount is too small to justify the

cost of collection or the likelihood of collection does not warrant the expense involved. The accounts included with this application meet the above discharge from accountability criteria because the amounts owed have been delinquent for more than 10 years without payment and the estimated cost of collection generally exceeds the value of the accounts.

The TTCRD is requesting to discharge 3,361 infraction and misdemeanor traffic accounts with a balance remaining of approximately \$2.8 million and 50,570 misdemeanor and felony criminal accounts of approximately \$16.1 million. These accounts have not had any payment activity for more than ten years, and all reasonable collection efforts on these accounts have been exhausted. The last discharge from accountability occurred in 2015 and subsequently the TTCRD along with State and local Court representatives implemented a mutually agreeable process for the continued discharge from accountability, which has since been codified in the December 2020 MOU. Both agencies have also agreed and recommend that future applicable debt be discharged on an annual basis.

The discharge from accountability relieves the TTCRD from any further responsibility for accounting or collecting discharged debt. It does *not* constitute a release of any person from liability for payment of the amounts discharged. The detailed records of accounts include specifics on each debt discharged: the case number, the nature of the case (infraction, misdemeanor, or felony), the name(s) of the persons liable, the dollar amount of the debt, and the number of years in delinquent status. They are on file with the TTCRD and available for review on the Division's website at <http://www.co.monterey.ca.us/government/departments-i-z/treasurer-tax-collector/discharge-of-accountability> until at least December 15, 2021 and will be subsequently posted by the Superior Court of California - County of Monterey for a period of not less than three weeks. This report and a copy of subject accounts will remain on file with the Clerk of the Board.

OTHER AGENCY INVOLVEMENT:

Monterey County Superior Court staff have agreed to the pending Application for Discharge from Accountability. Pursuant to Government Code Section 29259, within 45 days after the end of the month in which any discharge from accountability is approved, the TTCRD shall report to the Superior Court of Monterey County the discharge from accountability of court-ordered debt. Government Code Section 25259.9 (a) provides that upon making an order of discharge, the presiding judge shall direct the clerk of the court to enter record of the discharge in the court case file for each debt and to post a copy of the order of discharge on the court's internet website for a period of not less than three weeks. County Counsel concurs with the recommended action.

FINANCING:

Recommended actions include discharge from accountability of 53,931 accounts with an approximate balance of \$18.9 million. Approval of this action has no financial impact to the general fund as these accounts are not considered "receivables" in the County's financial statements and therefore do not represent revenue loss. Approval of the application will allow the TTCRD to remove these accounts from active collection resulting in system, operational, and financial efficiencies allowing staff to focus time and efforts on accounts that are

collectible.

Prepared by: Jake Stroud, Deputy Treasurer-Tax Collector, x5828

Approved by: Mary A. Zeeb, Treasurer-Tax Collector, x5474

Attachments:

Attachment A - Application for Discharge from Accountability

Attachment B - Discharge from Accountability Information Sheet

cc: Monterey County Superior Court