



# COUNTY OF HUMBOLDT

For the meeting of: 6/18/2019

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File #: 19-803

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**To:** Board of Supervisors

**From:** Treasurer/Tax Collector

**Agenda Section:** Consent

**SUBJECT:**

Request for Discharge of Accountability of Unsecured Tax Accounts

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Approves an Authorization of Discharge of Accountability for county tax assessments, penalties, and costs deemed uncollectable pursuant to Revenue and Taxation Code 2611.1.

**SOURCE OF FUNDING:**

N/A

**DISCUSSION:**

There are uncollectable unsecured taxes the Tax Collector recommends be placed on “inactive / discharge” status on the county’s Megabyte tax collection system. A large number of these accounts are uncollectable due to the Assessee being deceased, or due to bankruptcies. The remainder accounts are those for which all reasonable methods of tracking down the Assessee have been exhausted. By keeping these uncollectable accounts active the department is overestimating the amount of unsecured taxes that are collectable, and expends money and staff time in efforts that have been proven unsuccessful.

This action is authorized by Revenue and Taxation Code section 2611.1 and is a prudent way to help manage the department’s resources and ensure the sustainability of all other services provided. The discharge does not release the persons(s) named in the discharge of accountability list (Attachment 1) from the payments of any amounts which are due and owing; and the accounts will remain viewable and payable on the tax operating system.

**FINANCIAL IMPACT:**

Positive. Budgetary savings will result due to the Megabyte tax system no longer generating collection bills for these discharged accounts. The savings will be realized in supplies, postage, and staff time.

**STRATEGIC FRAMEWORK:**

This action supports your Board’s Strategic Framework by managing our resources to ensure

sustainability of services .

**OTHER AGENCY INVOLVEMENT:**

Auditors office. The Auditor's office will finalize the discharge process on the Megabyte tax system at a stage during the annual rollover. When the rollover is complete those accounts will no longer be included as active tax charges, so collection efforts will cease.

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

Keeping the attached list of unsecured tax accounts active on the tax system, but this is not recommended due them having been proven uncollectable by previous efforts.

**ATTACHMENTS:**

1. Discharge of accountability list from the Megabyte Tax Operating System of 674 unsecured accounts deemed uncollectable by the Tax Collector. The total amount requested for this 'Discharge of Accountability' is \$ 186,715.93 [This total includes \$ 165,618.06 in taxes, \$ 16,557.87 in penalties, and \$ 4,540.00 in fees (noted as "costs" on this megabyte report)]

**PREVIOUS ACTION/REFERRAL:**

Board Order No.: N/A

Meeting of: N/A

File No.: N/A