



COUNTY OF HUMBOLDT

For the meeting of: 5/23/2023

File #: 23-657

To: Board of Supervisors

From: Treasurer/Tax Collector

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Resolution of the Board of Supervisors amending resolution 97-87

RECOMMENDATION(S):

That the Board of Supervisors:

1. Amend resolution number 97-87 to temporarily suspend the two dollar (\$2.00) collection surcharge amount to the Humboldt County Courthouse Temporary Construction Fund B (1420)

SOURCE OF FUNDING:

Pursuant to Government Code Sections 76100 et. Seq. (76121) Revenue Recovery collects and deposits a two dollar (\$2.00) surcharge on each ten dollars (\$10.00) of every fine, penalty or forfeiture imposed by the courts for criminal offenses, including all offenses involving a violation of vehicle code or any local ordinance adopted pursuant to the vehicle code, except offenses relating to parking or registration of offenses by pedestrians or bicyclists, or where an order is made to pay a sum to the general fund of the county pursuant to subparagraph (e) of paragraph (3) of subdivision (a) of section 258 of the Welfare & Institutions Code.

DISCUSSION:

Humboldt County (County) and the Humboldt County Superior Court (Court) undertook the renovation of the building in which the Court is located in 2001 with the signing of the Memorandum of Understanding dated February 27, 2001. In anticipation of the creation by the State Legislature of Government Code section 70402, the County and the Court entered into the Amendment to Memorandum of Understanding dated March 27, 2001, Attachment 1. This agreement, along with the also-included memorandum to the Humboldt County Board of Supervisors, makes it clear that the intention of both the County and the Court was that the cost of renovation of the courthouse building be paid out of the Humboldt County Courthouse Temporary Construction Fund B (1420) authorized by Government Code section 76100, and that the moneys in this Fund be used to pay off "any project debts" before being used for any other purpose.

The amounts taken in through fees assessed were outpaced by payments on the debt for the project and lead to the survival of the Humboldt County Courthouse Temporary Construction Fund B (1420) past the anticipated ten years. In 2017 the Humboldt County Board of Supervisors approved the advancing of money from the County's General Fund to pay off the original loan. The funds borrowed from the County General Fund are still being paid off. According to Government Code Section 70301(a), "bond indebtedness" includes "any financial encumbrance." Although the loan against the building has been repaid, the legislature intended to ensure any debts incurred by Counties for the purposes listed in Government Code section 76100 can be paid from the Humboldt County Courthouse Temporary Construction Fund B (1420).

The Judicial Council of California submitted correspondence, Attachment 2, to the County Administrative Office directing the balance to be transferred to the State of California per Government Code section 70402 and additionally prepare an amended Board of Supervisors resolution to reflect a reduction of the two dollar (\$2.00) surcharge per ten dollar (\$10.00) base fine.

County Counsel responded to the Judicial Council of California in a letter dated 5-5-23, Attachment 3. The County's position is that the terms of the agreement between the Courts and the County, as well as the intent of the legislature, are such that the County should be permitted to continue collections of the additional two dollar (\$2.00) surcharge per ten dollar (\$10.00) base fine until the remaining expense related to the renovation of the Courthouse building is paid in full.

The updated resolution, Attachment 4, if approved by your board, will pause collections until the results of the pending audit from the State Controller's Office is final and discussions can continue with the Judicial Council.

FINANCIAL IMPACT:

December 4, 2017 is the date the County General Fund paid off the balance of the original loan. Per the letter from the Judicial Council of California 91.06% of all revenues collected since the close out need to be transferred. \$604,093.00 is the calculation. If the resolution is approved today future collections will pause while negotiations continue to prevent the balance from increasing.

STRATEGIC FRAMEWORK:

This action supports the following areas of your Board's Strategic Framework.

Core Roles: N/A

New Initiatives: Seek outside funding sources to benefit Humboldt County needs

Strategic Plan: 3.1 - Improve the economy of Humboldt County

OTHER AGENCY INVOLVEMENT:

Judicial Council of California, State Controller

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your board could chose not to adopt the amended resolution to temporarily suspend the two dollar

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(\$2.00) collection surcharge to Humboldt County Courthouse Temporary Construction Fund B (1420) and Revenue Recovery will continue to collect the higher amount

ATTACHMENTS:

23-657 ATTACHMENT 1

JCC ATTACHMENT 2 Humboldt Co. Closeout Letter - 4-27-23

LT JC 050523 ATTACHMENT 3

LT JC 050523 ATTACHMENT 4

Amended Resolution ATTACHMENT 5

PREVIOUS ACTION/REFERRAL:

Board Order No.:Resolution 97-87

Meeting of: August 19, 1997

File No.: Click or tap here to enter text.