



COUNTY OF HUMBOLDT

For the meeting of: 6/22/2021

File #: 21-774

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. Approve 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:

Not Applicable

DISCUSSION:

There are uncollectable unsecured taxes the Tax Collector recommends be placed on “inactive / discharge” status on the county’s Megabyte tax collection system. The vast majority of these accounts are uncollectable due to the Assessee being a defunct corporation, bankrupt, or deceased. 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 ensure the sustainability of all other services provided. Per Revenue and Taxation Code section 2611.4, the discharge does not release the person(s) named in the verified application (Attachment 1) from the payments of any amounts which are due and owing.

FINANCIAL IMPACT:

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 reduced supplies, postage, and staff time.

The attached Megabyte report contains 201 unsecured accounts deemed uncollectable by the Tax Collector. The total amount requested for this ‘Discharge of Accountability’ is \$ 136,181.12 [This total

includes \$ 108,645.64 in taxes, \$ 10,863.48 in penalties, and \$ 16,672.00 in fees (noted as “costs” on this megabyte report)] This will result in a reduction of county taxes receivable and an increase of county bad debt expense to ensure that taxes receivable are reported fairly and accurately.

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.

ATTACHMENTS:

1. Discharge of Accountability 2020 - 21

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: 6/18/2019

File No.: 19-803