



# COUNTY OF HUMBOLDT

## Legislation Text

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File #: 19-1114, Version: 1

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**To:** Board of Supervisors

**From:** Treasurer/Tax Collector

**Agenda Section:** Consent

**SUBJECT:**  
MOU with CSAC Finance Corporation to Participate in CalTRECS Intercept Program

**RECOMMENDATION(S):**  
That the Board of Supervisors:

1. Execute the attached Memorandum of Understanding and Agreement with the California State Association of Counties - Finance Corporation Tax Refund Exchange and Compliance System (CalTRECS) in conjunction with the Franchise Tax Board (FTB) to intercept tax refunds and lottery winnings to pay delinquent unsecured taxes owed the county.

**SOURCE OF FUNDING:**  
N/A

**DISCUSSION:**  
Pursuant to Government Code 12419.2 to 12419.12, the California State Controller (SCO) in conjunction with the California Franchise Tax Board (FTB) is authorized to offset any eligible debt due a city, county, or special district by intercepting state tax refunds or state lottery winnings. Under this authority, the FTB Interagency Intercept Collection Program intercepts state tax returns and lottery winnings and submits the funds to the claimant agency; i.e., the county.

The process to gather and format debtor files and locate social security numbers in order to participate in the FTB Intercept Program is a time-consuming process which Treasurer-Tax Collector (T-TC) Staff have been doing for a number of years with good success. The advantage of participating in this new CalTRECS program, first offered as a pilot program last fiscal year, is that it promises to save significant staff time and thereby costs to the county because CalTRECS will do that back-ground file and social security number research work now being done by county staff.

**FINANCIAL IMPACT:**  
None to the county. All fees are added to the debt owed by the delinquent tax-payer by CalTRECS during processing within the program, and included in the amount owed by the tax-payer. There will be

a \$ 25.00 fee added for work done by CalTRECS and an additional \$ 2.25 fee added for the FTB.

**STRATEGIC FRAMEWORK:**

This action supports your Board's Strategic Framework by managing our resources to ensure sustainability of services.

**OTHER AGENCY INVOLVEMENT:**

California State Association of Counties - Finance Corporation  
California Franchise Tax Board

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

Your Board could decide not to participate in the CalTRECS program but this is not recommended because it is not as cost effective for T-TC operations; and thereby for the county.

**ATTACHMENTS:**

MOU with CSAC-FC and CalTRECS