



# COUNTY OF HUMBOLDT

For the meeting of: 3/18/2025

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File #: 25-325

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**To:** Board of Supervisors

**From:** Treasurer/Tax Collector

**Agenda Section:** Consent

**Vote Requirement:** Majority

**SUBJECT:**

Request for Discharge of Accountability of Revenue Recovery

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Approve Revenue Recovery's application for discharge of accountability for specified debt collection accounts pursuant to Government Code Sections 25257, 25258 and 25259 for Fiscal Year (FY) 2024-25.

**STRATEGIC PLAN:**

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

Area of Focus: Core Services/Other

Strategic Plan Category: 9999 - Core Services/Other

**DISCUSSION:**

Annual discharge of accountability for defendant court fine accounts, falling under the correct statutory timeframes, is a requirement for all county Revenue Recovery programs by the Judicial Council of California. Under the provisions of Penal Code Section 1463.007, Revenue Recovery operates a Comprehensive Collection Program to collect court-ordered debt (COD) for the Superior Court of Humboldt County.

In addition, Revenue Recovery serves as the collection agent for county departments and victims of crime. Penal Code § 1463.010(c) states that the Judicial Council shall develop performance measures and benchmarks to review the effectiveness of the cooperative Superior Court and county collection programs operating pursuant to this section. This section goes on to say that the Judicial Council shall report to the legislature annually on the extent to which each court or county is following best practices for its collection program.

One of the best practices recommended is the implementation of a process to discharge accountability for uncollectable COD. It is a prudent practice for Revenue Recovery to take steps to discharge uncollectable debts that accumulate over time and one that supports the Board's direction to manage resources to ensure sustainability of services.

Discharging debt that meets the qualifications for discharge allows Revenue Recovery to focus on enforcing laws and regulations through the collection of more recent and more collectable debt. Government Code § 25257 authorizes a county department, officer or employee to apply to the Board of Supervisors for a discharge of accountability for the collection of both county debts and CODs.

To qualify for discharge, the amount of the debt must be too small to justify the cost of collection, or the likelihood of collection

thereof does not warrant the expense involved. Government Code § 25258 sets forth the elements of the application: the names of the debtors (unless disclosure of the name is proscribed by law), the amounts of the debts, the grounds for the discharge and a verified application for discharge. Provided these elements are met, under Government Code § 25259, the Board of Supervisors may make an order discharging the department from further accountability and direct the county Auditor to adjust any charge against the department in a like amount.

Un-collectability is determined by a review of each account according to the following criteria:

- The defendant/debtor is deceased and there are no attachable assets.
- The balance of the account is too small (less than \$25) to justify the cost of collection.

The list of Discharge of Accountability Revenue Recovery 2024-25 (Attachment 1) accounts and identifies the number of accounts with a total balance of \$4,783,589.24. The breakdown according to the above criteria of each type of discharge is as follows:

Court fines over 10 yrs	\$ 1,099,673.44
Traffic Infractions over 5 yrs	\$ 3,554,923.26
Non-Court order debt over 4 yrs	\$ 14,335.16
Deceased-COD	\$ 42,401.14
Deceased-VR	\$ 72,248.56
Less than \$25	\$ 7.68

**SOURCE OF FUNDING:**

N/A

**FINANCIAL IMPACT:**

The discharge requested, totaling \$4,783,589.24, has been deemed uncollectable, and county departments who are owed unpaid COD payments are financially impacted when the debt is not collected.

While this is a significant amount, the discharge from accountability does not constitute a release of the debtor’s liability for payment of any amount and any money received will continue to be credited to the individual accounts. Discharging these accounts from the system is a requirement for a county comprehensive collection program, and active collection efforts will cease. The Franchise Tax Board annually attempts to intercept defendants who receive a state income tax refund but still owe court fines to Humboldt County.

**OTHER AGENCY INVOLVEMENT:**

Humboldt County Superior Court

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

The alternative would be to leave the account in an “active” status, where they would be reported as part of active accounts receivable statistics. For COD accounts it would mean that Revenue Recovery is not meeting one of the performance measures established for comprehensive collection programs.

**ATTACHMENTS:**

Discharge of Accountability Revenue Recovery 2024-25

**PREVIOUS ACTION/REFERRAL:**

Meeting of: 6/11/2024  
File No.: 24-952