COUNTY OF HUMBOLDT

For the meeting of: 10/6/2026

File #: 26-942

To: Board of Supervisors

From: Treasurer/Tax Collector

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:
Addendum to the Professional Services Agreement with Linebarger Goggan Blair & Sampson, LLP for Franchise Tax Board Interagency Intercept Collection Program Services (4/5 Vote Required)

RECOMMENDATION(S):
That the Board of Supervisors:

1. Approve, and authorize the Chair of the Board to execute, the attached addendum to the Professional Services Agreement with Linebarger Goggan Blair & Sampson, LLP for Franchise Tax Board Interagency Intercept Collection Program services (4/5 Vote Required); and
2. Direct the Clerk of the Board to submit an executed original of the addendum to the Humboldt County Treasurer-Tax Collector's Office's Revenue Recovery Division.

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:
The Humboldt County Treasurer-Tax Collector's Office's Revenue Recovery Division utilizes Linebarger Goggan Blair & Sampson, LLP (LGBS) for professional collection services related to delinquent debt. On June 17, 2025, the Board of Supervisors approved the current Professional Services Agreement with LGBS for fiscal years 2025-26 through 2029-30.

Revenue Recovery currently utilizes the California Franchise Tax Board (FTB) Interagency Intercept Collection Program as a collection tool for eligible delinquent debt. The program allows participating government agencies to collect qualifying delinquent debts through the interception of state tax refunds and other eligible state payments.

Revenue from the FTB Interagency Intercept Collection Program has declined in recent years due in part to changes in California law that limit eligibility for tax intercept for certain taxpayers. In fiscal year 2025-26, Revenue Recovery submitted a limited number of accounts to the program due to the administrative costs associated with required noticing and staff resources dedicated to a software transition.

The proposed addendum will allow LGBS to administer the FTB Interagency Intercept Collection Program on behalf of the county, including referring appropriate accounts to FTB, coordinating with FTB regarding referred accounts and administering those accounts. Under the proposed addendum, LGBS will receive compensation of 10% of collections for court-ordered debt and 12.5%

for non-court-ordered debt collected through the program. The county will remain responsible for applicable FTB administrative fees. All other provisions of the existing Professional Services Agreement will remain unchanged.

Approval of the proposed addendum will shift administration of the FTB Interagency Intercept Collection Program to LGBS, allowing the county to continue utilizing the program while allowing limited Revenue Recovery staff resources to remain focused on direct collection activities and other accounts requiring staff intervention.

SOURCE OF FUNDING:
General Fund - Revenue Recovery (1100-114)

FINANCIAL IMPACT:

Expenditures (1100-114)	**FY26-27 Projected***	**FY27-28 Projected***
Budgeted Expenses	$10,000	$10,000
Additional Appropriation Requested		
Total Expenditures	**$10,000**	**$10,000**

**Projected amounts are estimates and are subject to change.*

Funding Sources (1100-114)	**FY26-27 Projected***	**FY27-28 Projected***
Fees/Other	$10,000	$10,000
Total Funding Sources	**$10,000**	**$10,000**

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:
Approval of the proposed addendum is estimated to result in approximately $10,000 annually in additional collection costs based on historical FTB Interagency Intercept Collection Program revenue. LGBS will receive compensation equal to 10% of court-ordered debt collected through the program. Costs associated with the collection of court-ordered debt are recoverable through the courts and are not expected to result in an additional impact on the General Fund.
FTB administrative fees are currently deducted from intercepted funds prior to remittance to the county and will continue under the proposed addendum. No additional appropriation is requested.

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:
Approval of the proposed addendum will not result in any changes to staffing levels. The addendum will shift administration of the FTB Interagency Intercept Collection Program to LGBS, allowing existing Revenue Recovery staff to focus limited staff resources on direct collection activities and other Revenue Recovery responsibilities.

OTHER AGENCY INVOLVEMENT:
California Franchise Tax Board

ALTERNATIVES TO STAFF RECOMMENDATIONS:
Your Board could choose not to approve the proposed addendum. This alternative is not recommended because Revenue Recovery staff would continue to administer the FTB Interagency Intercept Collection Program directly, requiring limited staff resources to be dedicated to administration of the program.

ATTACHMENTS:
1. LGBS Agreement Addendum
2. Professional Services Agreement

PREVIOUS ACTION/REFERRAL:
Meeting of: June 17, 2025
File No.: 25-673