



Legislation Details (With Text)

File #: 21-1003 **Version:** 1

Type: Agenda Item **Status:** Approved

File created: 6/8/2021 **In control:** Board of Supervisors

On agenda: 6/29/2021 **Final action:** 6/29/2021

Title: Treasurer-Tax Collector recommending the Board:
 1) Discharge the Treasurer-Tax Collector from further accountability to collect the debts listed on the attached Discharge of Accountability report in the amount of \$2,880,259.62 pursuant to Government Code Sections 25257 through 25259; and
 2) Authorize and direct the County Auditor-Controller to adjust any charge against the Department in a like amount.

FUNDING: N/A

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Verification, 2. B - Assmts Eligible for Discharge, 3. C - Government Code Section 25257-25259

Date	Ver.	Action By	Action	Result
6/29/2021	1	Board of Supervisors	Approved	Pass

Treasurer-Tax Collector recommending the Board:
 1) Discharge the Treasurer-Tax Collector from further accountability to collect the debts listed on the attached Discharge of Accountability report in the amount of \$2,880,259.62 pursuant to Government Code Sections 25257 through 25259; and
 2) Authorize and direct the County Auditor-Controller to adjust any charge against the Department in a like amount.

FUNDING: N/A

DISCUSSION / BACKGROUND

Government Code Sections 25257 through 25259 governs the discharge of accountability of debts due and payable to the County. The law allows the Board of Supervisors to make an order discharging the department, officer, or employee from further accountability and to direct the County Auditor-Controller to adjust any charge against the department, officer or employee in the like amount.

Discharge of accountability does not constitute a release of any person from liability for payment of any amount. The discharge procedure is not a write-off of debt, but a reduction of the delinquent accounts on the tax roll, and the amounts the Treasurer-Tax Collector is "charged" with collecting. It is the department's practice to file liens against individual taxpayers who are delinquent on their unsecured property taxes. Liens have been filed against all of the debts listed on the attached Discharge of Accountability Report.

Unsecured Taxes listed herein include assessments for: Business property/equipment, Boats, Aircraft, Possessory Interest-Land, and Mineral Rights, and former secured and supplemental

accounts issued to an old owner after a property transfer occurred and remained unpaid.

The debts listed on the attached Discharge of Accountability Report are determined to be uncollectible for the following reasons:

- 1) Collection efforts have been exhausted and the expense to collect outweighs the benefit to the county due to the unlikely possibility of collection;
- 2) The assessee is deceased or is no longer locatable
- 3) Business entity no longer exists

The detail list provided includes accounts defaulted since 1991. Approximately 50% of the unpaid bills represents Business property, while over 23% are tax bills for boats/watercraft. The remaining 27% of the bills are comprised of a mixture of unsecured accounts. As stated, liens have been filed on these accounts.

It has been three years since the last discharge report (which consisted only of deceased assesseees) was provided to the Board, just prior to the conversion to the new property tax system in 2018. The intention of this item is to properly adjust the accounts receivable for unsecured property tax accounts to reflect a balance that is likely to be collected. Going forward, it is the Department's intention to present the discharge of accountability report annually, as it is best practice.

ALTERNATIVES

N/A

PRIOR BOARD ACTION

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Upon approval by the Board of Supervisors, the Auditor-Controller's Office will be authorized to reduce the accounts receivable balance ("the charge") for delinquent unsecured taxes. The Treasurer-Tax Collector will coordinate the discharge with the Auditor's Office as necessary to ensure appropriate recording in the County property tax system.

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

These unpaid unsecured taxes are considered uncollectible and have not been factored into projected revenues.

The discharge of these bills will ensure that the property tax system properly reflects the amounts that are reasonably collectible.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

Karen Coleman, Treasurer-Tax Collector

Cami Roberts, Assistant Treasurer-Tax Collector, Ext. 5814