



Legislation Text

File #: 23-1009, Version: 1

Treasurer-Tax Collector Department recommending the Board of Supervisors:

- 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 \$799,522.25 pursuant to California 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 ("BOS") to make an order discharging a department, officer, or employee from further accountability and directing 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 this 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 delinquent assessments for: Business property/equipment, Boats, Aircraft, Possessory Interest-Land, and Mineral Rights, and mobile home accounts, 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 no longer locatable;
- 3) The Business entity no longer exists.

The detail list provided includes accounts defaulted since 1993. Approximately 28 percent of the unpaid bills represent business property, 12 percent are tax bills for boats/watercraft, while 40 percent are for mobile homes which were not included in the June 2022 discharge of accountability. It is common practice for Tax Collectors in the State to provide a discharge of accountability report to the Board annually. As is the best practice, this is the Department's annual discharge of accountability report to the BOS; the last report was provided to the BOS in May 2022. 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.

ALTERNATIVES

The Board of Supervisor could deny this request. If so, these debts would remain on the tax roll.

PRIOR BOARD ACTION

Discharge of Accountability were approved in prior years. Most recently, on May 24, 2022, Legistar file number 22-0883 and on June 29, 2021, Legistar file number 21-1003.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Upon Board of Supervisors approval, the Auditor-Controller's Office will be authorized to reduce the accounts receivable balance ("the charge") for delinquent unsecured taxes. The Treasurer-Tax Collector Department will coordinate the discharge with the Auditor-Controller'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

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