

# PLACER COUNTY

## ADMINISTRATIVE SERVICES DEPARTMENT

### MEMORANDUM

**TO:** Honorable Board of Supervisors

**FROM:** Clark L. Moots, Director of Administrative Services 

**DATE:** November 8, 2011

**SUBJECT:** Authorize the Execution of a Three-Year Standard Agreement with the State of California Franchise Tax Board Court-Ordered Debt Collection Program to Collect on Delinquent Court Ordered Fines, Forfeitures and Penalties in the Amount of \$1,170,000.

---

#### ACTION REQUESTED

Authorize the execution of a three-year standard agreement with the State of California Franchise Tax Board Court-Ordered Debt Collection Program to collect on delinquent Court ordered fines, forfeitures and penalties and authorize the Purchasing Manager to sign the associated documents in the amount of \$1,170,000.

#### **BACKGROUND**

The Administrative Services Department's Revenue Services Division (Department) has participated in the State Franchise Tax Board Court-Ordered Debt Collection Program (COD) since 1996 to supplement the Department's efforts to collect unpaid delinquent court ordered fines, forfeitures, fees and penalties. Under the standard agreement with the State Franchise Tax Board, the County pays an Administrative Fee in the maximum amount of 15% of the amount collected. The Administrative Fee is reimbursed to the Department through Penal Code 1463.007, Cost of Collections.

Our standard agreement with the State Franchise Tax Board has been highly successful over the years due to the COD program having powerful collection tools to process wage attachments, levies and writs with no additional court costs. In addition, the Department has implemented new technologies and automated many workflow procedures that have resulted in a significant increase in revenues collected under the program. These new technologies and procedures have allowed for delinquent accounts to be transferred electronically to the State Franchise Tax Board Court Ordered Debt Collection Program. To date, the COD program has collected \$22,293,055. Without this standard agreement in place, these very effective tools would not be available for the County's use.

In Fiscal Year 11/12 it is projected that the COD program will produce \$2,600,000 in revenues at an estimated annual costs of \$390,000 which equates to a 15% Administrative Fee on the amount collected. The Administrative Fee is reimbursed to the Department from the State through Penal Code 1463.007 – Comprehensive Collection Program. The term of the standard agreement will be from December 1, 2011 through December 31, 2014.

Section 1.3(e)(1) of the Purchasing Policy Manual allows an exception to competition for services obtainable from other government agencies. The standard agreement with the State of California Franchise Tax Board Court-Ordered Debt Collection Program meets this criterion.

**FISCAL IMPACT**

There are no fiscal impacts to the County's General Fund as the Administrative Fees for the State Franchise Tax Board Court Ordered Debt Collection Program are reimbursed through Penal Code 1463.007, Cost of Collections.

Cc: Virginia Meyers, Revenue Services Manager  
Brett Wood, Purchasing Manager

Attachment: Fiscal Impact Statement

## FISCAL IMPACT STATEMENT

TO: Honorable Board of Supervisors

FROM: Clark L. Moots, Director of Administrative Services



DATE: November 8, 2011

SUBJECT: **Fiscal Impact Statement**

Authorize the Execution of a Three-Year Standard Agreement with the State of California Franchise Tax Board Court-Ordered Debt Collection Program to Collect on Delinquent Court Ordered Fines, Forfeitures and Penalties in the Amount of \$1,170,000.

---

The Administrative Services Department's Revenue Services Division (Department) has participated in the State Franchise Tax Board Court-Ordered Debt Collection Program (COD) since 1996 to supplement the Department's efforts to collect unpaid delinquent court ordered fines, forfeitures, fees and penalties. Under the agreement with the State Franchise Tax Board, the County pays an Administrative Fee in the maximum amount of 15% of the amount collected. The Administrative Fee is reimbursed to the Department through Penal Code 1463.007, Cost of Collections.

The resulting three-year standard agreement will not have an impact to the County's General Fund as the Administrative Fees for the State Franchise Tax Board Court Ordered Debt Collection Program are reimbursed through Penal Code 1463.007, Cost of Collections.

