



## SUMMARY REPORT

---

**Agenda Date:** 9/20/2022

---

**To:** Board of Supervisors

**Department or Agency Name(s):** Auditor-Controller-Treasurer-Tax Collector

**Staff Name and Phone Number:** Brooke Koop, 707-565-1294

**Vote Requirement:** Majority

**Supervisorial District(s):** Countywide

**Title:**

CalTRECS Debt Offset Program

**Recommended Action:**

- A. Approve a Memorandum of Understanding (MOU) and Agreement with the California State Association of Counties-Finance Corporation Tax Refund Exchange and Compliance System (CalTRECS); and
- B. Authorize the Board of Supervisors Chair to sign the MOU

**Executive Summary:**

The Auditor-Controller-Treasurer-Tax Collector currently uses the California Franchise Tax Board (FTB) debt offset program to collect eligible delinquent debts. The FTB program is labor intensive and requires staff time to match debtors with social security numbers and to format data to meet the State's requirements.

The California State Association of Counties (CSAC) Finance Corporation's CalTRECS program helps to streamline the process of managing debtor files and allows any local government agency to submit eligible delinquent debts to the FTB debt offset program to collect through the withholding of a debtor's personal income tax refunds, lottery proceeds, or unclaimed property.

**Discussion:**

CSAC's CalTRECS debt offset clearinghouse program allows local government agencies to collect delinquent debt easily and efficiently through the withholding of a debtor's personal income tax refunds, lottery proceeds, or unclaimed property.

The clearinghouse concept should reduce staff time currently required to match debtors with social security numbers and to format debt data to meet the State's requirements. There is no cost to the County to participate in this program. A \$25 local collection assistance fee will apply to the debtor and is collected as a part of the offset. This pass-through fee was approved by the Board in March and added to the Auditor-Controller-Treasurer-Tax Collector's fee schedule.

In 2019, Merced County and Mariposa County piloted the program, and since then several other counties have implemented CalTRECS. Their results have been encouraging, stating that CalTRECS has streamlined the process of collecting debts through the FTB's debt offset program. Staff recommends the Board approve the attached MOU to implement the CalTRECS program.

---

**Agenda Date:** 9/20/2022

---

**Strategic Plan:**

N/A

**Prior Board Actions:**

N/A

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 22-23 Adopted</b>	<b>FY23-24 Projected</b>	<b>FY 24-25 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			

**Narrative Explanation of Fiscal Impacts:**

N/A

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

2022 CalTRECS MOU

**Related Items "On File" with the Clerk of the Board:**

None