



Legislation Details (With Text)

File #: 2022-0944
Type: Consent Calendar Item **Status:** Passed
File created: 8/15/2022 **In control:** Auditor-Controller-Treasurer-Tax Collector
On agenda: 9/20/2022 **Final action:** 9/20/2022
Title: CalTRECS Debt Offset Program
Sponsors: Auditor-Controller-Treasurer-Tax Collector
Indexes:
Attachments: 1. Summary Report, 2. 2022 CalTRECS MOU

Date	Ver.	Action By	Action	Result
9/20/2022	1	Board of Supervisors	Approved as recommended	Pass

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

Supervisory 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 FTBs debt offset program. Staff recommends the Board approve the attached MOU to implement the CalTRECS program.

Strategic Plan:

N/A

Prior Board Actions:

N/A

FISCAL SUMMARY

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

Narrative Explanation of Fiscal Impacts:

N/A

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

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

2022 CalTRECS MOU

Related Items “On File” with the Clerk of the Board:

None