



*County of Nevada ~  
Office of the Treasurer & Tax Collector*

**Tina M. Vernon**  
Treasurer & Tax Collector  
[tina.vernon@co.nevada.ca.us](mailto:tina.vernon@co.nevada.ca.us)

950 Maidu Avenue  
PO Box 128  
Nevada City, CA 95959-0128  
(530) 265-1285

**NEVADA COUNTY BOARD OF SUPERVISORS**  
**Board Agenda Memo**

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**MEETING DATE:** March 10, 2020

**TO:** Honorable Board of Supervisors

**FROM:** **Tina M. Vernon, Treasurer & Tax Collector**

**SUBJECT:** Authorize the Board to execute the Memorandum of Understanding between the Nevada County Tax Collector and the California State Association of Counties – Finance Corporation Tax Refund Exchange and Compliance System (Cal-Trecs) for an amount no more than \$10,000 per year.

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**RECOMMENDATION:** Execute the Memorandum

**FUNDING:** Costs (if any) this fiscal year will be minimal and will be absorbed in the current year budget. Reimbursable costs of \$10,000 budgeted in 20-21. All fees for this service will be paid from intercepted tax refunds or lottery winnings of the debtor. No net cost to the General Fund.

**BACKGROUND:**

Pursuant to Government Code Section 12419.02-12419.12, the California State Controller (SCO) in conjunction with the Franchise Tax Board (FTB) is authorized to offset any eligible debt due to a city, county, or special district by intercepting state tax refunds, unclaimed property or state lottery winnings. Under this authority, the FTB Interagency Intercept Collection Program intercepts state tax refunds and lottery winnings and submits the funds to the Claimant Agency. Nevada County currently participates as a Claimant Agency in this program.

The current process to gather and format the debtor files and locate social security numbers in order to participate in this program is costly and time prohibitive. The California State Association of Counties-Finance Corporation (CSAC-FC) has worked closely with several California Counties as well as the FTB and SCO in order to develop an online interface or clearinghouse that will help streamline the process of managing these debtor files submitted to the FTB. In addition, this interface works in conjunction with the Megabyte Property Tax System, making the process quite seamless.

The memorandum of understanding establishes an agreement between the county and CSAC-FC, allowing CSAC-FC to receive our data and assist in the intercept process. There is no cost to register or participate other than our normal process of notifying the debtor. A \$25 fee is added to the debtor account for the cost of the program.

The county will receive analysis reports on debts owed to the County on the amounts of monies returned so that we may monitor the effectiveness of the program. This partnership will harness the ability to enhance our efforts to increase our collection of delinquent debt while providing increased efficiencies.

**Item Initiated and Approved by: Tina M. Vernon**

Submittal Date: February 3, 2020