

INSTITUTE FOR COURT MANAGEMENT

KFC
1051
V37

PHASE III PROJECT

**ENHANCED REVENUE
COLLECTION UTILIZING
CIVIL ASSESMENTS**

**TERI L. VARNER
ASSISTANT COURT ADMINISTRATOR
CITRUS MUNICIPAL COURT**

Library
National Center for State Courts
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ACKNOWLEDGEMENTS

I would like to thank the people who contributed their time, effort and support to me during this project.

In particular, I want to thank and acknowledge June Mary Betschart, Court Administrator for her support and commitment to me and this project.

I would also like to thank my executive secretary, Lana R. Ramirez, who very patiently listened to my ideas and made the graphs and charts used in this project.

I wish to thank the entire staff of the Citrus Municipal Court for their patience while I worked on this project and in particular, I want to express my appreciation for the hard work and dedication of the staff of the Traffic Department of Citrus Municipal Court, without whom the Civil Assessment collection effort would not have been a success.

Thanks to my supervisor, Dan Straub, for giving me his ideas and support and for his encouragement throughout this endeavor.

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ABSTRACT

The purpose of this study was to determine the most effective program for collecting fines and enhancing revenue for the Los Angeles County Municipal Courts and to provide an overview of other collection efforts in existence. This study involved the comparison of the Citrus Municipal Court's in-house collection program with other Municipal Courts' collection programs provided by collection agencies. This study addressed the enactment of legislation, specifically, Penal Code section 1214.1 and the effect that legislation has had on enhancing revenue collections.

The goals of this project were to evaluate the revenue enhancement programs in the Los Angeles County Courts and to determine the most effective program both in terms of cost effectiveness and actual revenue recovery. This evaluation explored various techniques associated with the collection of delinquent accounts and how those same techniques may be used by Courts to further enhance their own collections.

In order to evaluate the effectiveness of the various programs in operation in the Los Angeles County Municipal Courts, data was gathered through surveys and site visits. Included in the data collected from the

Los Angeles County Municipal Courts was information relating to court size, jurisdictional population, case filings statistics, number of cases referred for collections, and actual dollars collected. This data was collected from the inception of each court's programs.

Successful revenue enhancement and fine collection have become a vital element to the Courts budget process. Courts are partially funded by the State Trial Court Realignment Act of 1991 and by the County in which the Court is located. All revenue generated by the Court helps to offset the net County cost. Therefore, a primary goal of the County is for each court, through revenue enhancement, to reduce their net county cost to zero. Courts negotiate their yearly budget requirements and funding to meet the Courts requirements with the County but always keeping in mind the bottom line of net county cost.

I determined that each collection method had advantages for the county and/or the court. Regardless of whether it was a civil assessment or some other enhancement program, all methods are profitable for the county and most methods are cost neutral to the court with the exception of Citrus Municipal Courts in-house collection program which had a cost to their operational budget. I found that each court, using their

method of enhancing revenue, did so mainly with the purpose of generating revenue for their county, regardless of whether that revenue may or may not then be used by that court for their operations. It appears to me that court management, regardless of benefit or cost to their courts, share a common goal to try to increase their counties revenue and to try to make additional revenue even though in their county this revenue may or may not be used for their court's budget.

The timing for referring accounts, as well as the type of accounts referred, are also critical elements in optimizing compliance and collection. The specifications contemplated in the Los Angeles County Request for Proposal process are designed to provide the courts the flexibility to contract for collection services based on their unique needs, taking into consideration such things as the level of effort by the vendors and verified collection rates.

I believe the courts in Los Angeles County will receive the best collection results by referring accounts for collection to approved vendors who are under contract, only after they have exhausted all reasonable internal collection activities, or have determined that it is either more cost-effective or otherwise more prudent to do so.

INTRODUCTION

There are 24 judicial districts and one (1) superior court located within Los Angeles County in the State of California. The County total population is over nine million people. The Citrus Municipal Court is one of the judicial district located within the County of Los Angeles. Within the jurisdiction of the Citrus Municipal Court there are six cities: Azusa, Baldwin Park, Covina, Glendora, Irwindale and West Covina, and two unincorporated county areas (**Figure 1**). The total population of this Judicial District is approximately 1,000,000 people. The Court is responsible for collecting and distributing over \$12,000,000.00 annually in revenues to the State, local police agencies and the Los Angeles County.

All monies collected by the Court pursuant to California Code are deposited in a local bank account and electronically withdrawn to the Los Angeles County Auditor-Controller Account on a daily basis. Pursuant to the "Clerk's Requisition for Distribution of Funds" (**Figure 2**), the Auditor-Controller distributes these funds. The Requisition for Distribution of Funds is submitted to the auditor-controller by the 10th of the month following the month reported and prepared in-house by our bookkeeper. The Distribution of Funds directs the auditor-controller to distribute and

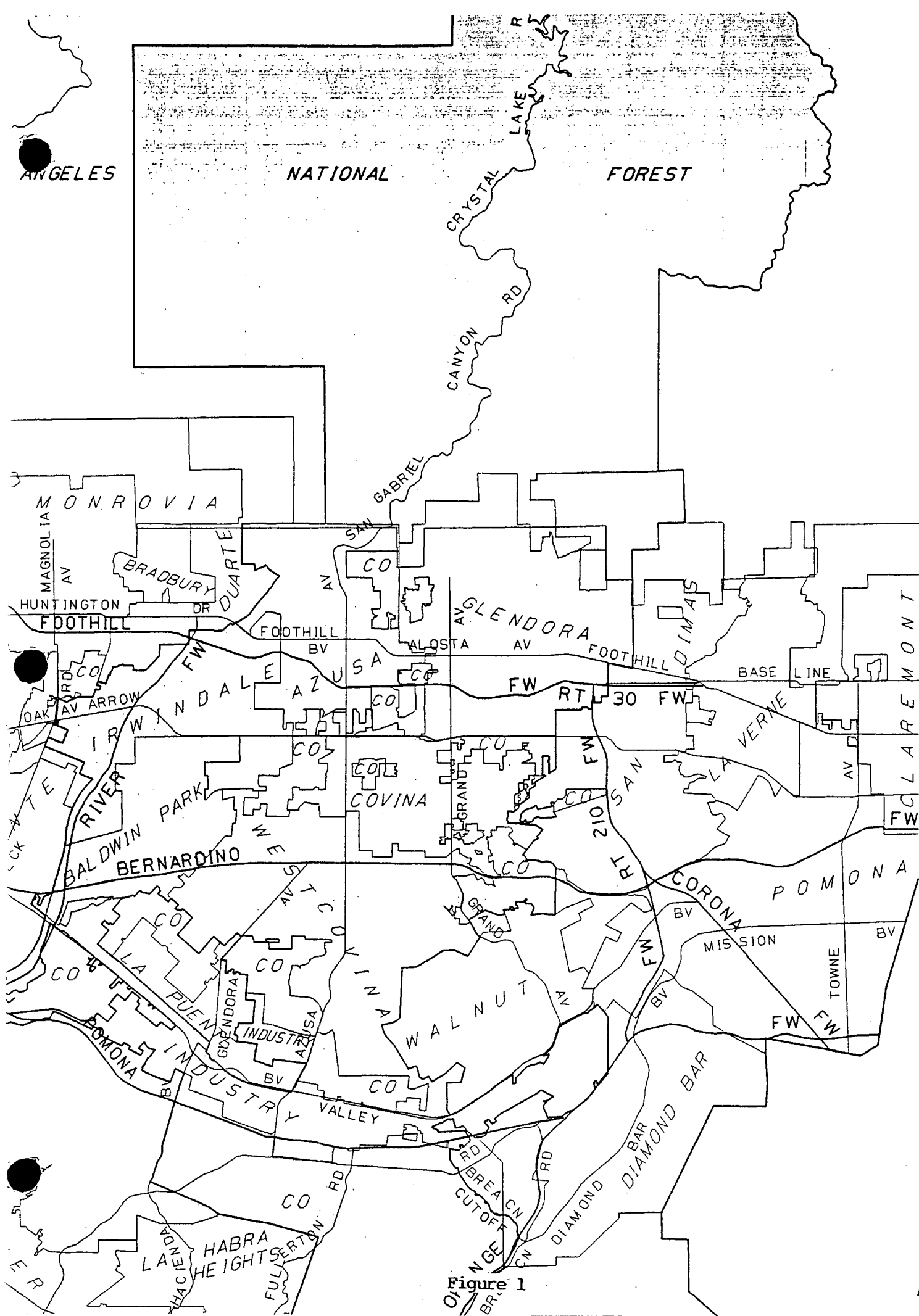


Figure 1

**MUNICIPAL COURT OF THE CITRUS JUDICIAL DISTRICT
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA**

**CLERK'S REQUISITION FOR DISTRIBUTION OF FUNDS
FOR THE MONTH OF**

I. AUTHORIZATION

I authorize and direct the Auditor– Controller of the County of Los Angeles to make remittances and transfers from the trust account of this court, as shown below.

Dated: _____

June Mary Betschart
Court Administrator/Clerk

Page: 1

II. DISTRIBUTION TO CITIES

	A	B	C	D	E	F	G	
CITY OF	GENERAL	TRAFFIC	LITTER VC	LITTER	33% CORR	PARKING	DATA COM	TOTAL
AZUSA								
BALDWIN PARK								
COVINA								
GLEN DORA								
INDUSTRY								
IRWINDALE								
WEST COVINA								

TOTAL DISTRIBUTION TO CITIES _____

III.

DISTRIBUTION TO SPECIAL DISTRICTS/AGENCIES

NAME	PURPOSE	AMOUNT

TOTAL DISTRIBUTION TO SPECIAL DISTRICTS/AGENCIES _____

IV.

REPORTERS SALARY FUNDS (L.A. JUDICIAL DISTRICT ONLY)

V.

SUB–TOTAL OF PAGE 1 _____

TOTAL DISTRIBUTION OF FUNDS (SUM OF II,III,IV,V,AND VII) _____

**CITRUS MUNICIPAL COURT
CLERK'S REQUISITION FOR DISTRIBUTION OF FUNDS**

Page 2
Month of:

VI. DEPARTMENTAL TRUST – AUDITOR STATE FINES CLEARING DETAIL

State Penalty Fund:

- 1 Penalty Assessment (less 2% MCAF, 4/34 to RCCF, 5/34 to CJTCF, 1/34 to AFIF
4/34 to EMSF) (includes F&G assessments of \$0.00)
- 2 Proof of Correction Share (34%) (VC 40611)
- 3 Mandatory Seat Belt Penalty Assessment (VC 2731533d)

3a _____

State General Fund:

- 4 Administrative Screening Fee (GC 29950c)
- 5 Amnesty Collection (VC 42008)
- 6 Citation Processing Fee (GC 29950c)
- 7 City Fines/Forfeitures Share (50%) (PC 1463.001b)
- 8 County Fines/Forfeitures Share (75%) (PC 1463.001b)
- 9 Parking Surcharge (\$2) (GC 76000c)
- 10 State Agency Parking Revenue Share (25%) (PC 1462.3)
- 10a State University Parking Revenue Fund (PC 1462.3) CSU Campus
- 11 Traffic School Fee Share (\$24) (VC 42007.1)
- 12 Traffic School Fee Share (77%) (VC 42007.1)
- 13 Mandatory Insurance Law Cost Reimbursement (PC1463.22c)
- 14 Lewd Conduct Fines (PC 290.3)
- 15 Controlled Substances Fines/Forfeitures (H&S 11502)
- 16 Hazardous Substance Account (H&S 25192)

16a _____

Other Fund:

- 17 Fish & Game Preservation Fund (F&G 13003)
- 17a Fish & Game Preservation Fund (F&G 13006)
- 18 Judges Retirement Fund (GC 72056.1)
- 19 Restitution Fund – DUI Fines (PC 1463.18)
- 20 Restitution Fund – Probation (PC 1203.04)
- 21 Off-Highway Vehicle Fund (VC 42204)
- 22 Transportation Fund – Mandatory Insurance Law Violations (PC 1463.22b)
- 23 State Trial Court Trust Fund – Filing Fees (GC68085b)
- 24 State Trial Court Trust Fund – Reporters Fees (GC68086b)
- 25 Domestic Violence Fund – Restitution Fines (PC1203.097)

TOTAL TRUST

**CITRUS MUNICIPAL COURT
CLERK'S REQUISITION FOR DISTRIBUTION OF FUNDS**

Page 3
Month of:

VII. JOURNAL VOUCHER ENTRIES

Description	Acct		Dept	Org	RSRC	B/S		AMOUNT
	Fund	Type				Acct	D/C	
1 Dept Trust – A/C State Fines Clearing	(TK7	01				1000	DR)	
	(TK7	02				7054	CR)	
2 Sales Tax Trust Fund	(TK9	01				1000	DR)	
	(TK9	02				7256	CR)	
3 Hazardous Waste Enforcement (H&S 25192)	(TW7	01				1000	DR)	
	(TW7	31	FR	55846	8431		CR)	
4 Fish & Game Propagation Fund (F&G 13003)	(CA4	01				1000	DR)	
	(CA4	31	BS	41040	8421		CR)	
5 Alt Dispute Resolution (B&P 470.3)	(GQ4	01				1000	DR)	
	(GQ4	31	CS	41194	9261		CR)	
6 Alcohol Fund (95%) (PC 1463.16a)	(BT5	01				1000	DR)	
	(BT5	31	HS	41195	8409		CR)	
7 Aids Education (PC 1463.23)	(BU1	01				1000	DR)	
	(BU1	31	HS	41191	8431		CR)	
8 Alcohol Education (PC 1463.25)	(GQ5	01				1000	DR)	
	(GQ5	31	HS	41197	8431		CR)	
9 Drug Education (H&S 11372.7)	(GQ6	01				1000	DR)	
	(GQ6	31	HS	41198	8431		CR)	
10 Countywide Warrant System (PC 853.7a)	(DN5	01				1000	DR)	
	(DN5	31	SH	41199	8431		CR)	
11 Criminalistics Lab Fund (80%)(H&S11372.5)	(DN3	01				1000	DR)	
	(DN3	31	AC	41635	8425		CR)	
12 Lab Services Fund (Sheriff)(PC 1463.14)	(S10	01				1000	DR)	
	(S10	02				7357	CR)	
13 Lab Service Fund (LA&LB only)(PC 1463.14)	(S10	01				1000	DR)	
	(S10	02					CR)	
14 Law Library Fund (B&P 6320)	(S11	01				1000	DR)	
	(S11	31	ND	55635	9679		CR)	
15 Robbins Courthouse Const Fund (GC 76100)	(B08	01				1000	DR)	
	(B08	31	IS	40010	8421		CR)	
16 Crim Just Temp Const Fund (GC 76101)	(B09	01				1000	DR)	
	(B09	31	IS	40020	8421		CR)	
17 Linkages Program (PC 1465.5)	(GQ7	01				1000	DR)	
	(GQ7	31	CS	41190	8414		CR)	
18 Child Restraint Loaner (VC 27360/62)	(DN8	01				1000	DR)	
	(DN8	31	HS	41062	8425		CR)	
18a Auditor—Accounting Div. Suspense Acct	(TK7	01				1000	DR)	
	(TK7	02				7079	CR)	

Sub—total of Page 3

**CITRUS MUNICIPAL COURT
CLERK'S REQUISITION FOR DISTRIBUTION OF FUNDS**

Page 4
Month of:

VII. JOURNAL VOUCHER ENTRIES

Description	Acct				RSRC	B/S		AMOUNT
	Fund	Type	Dept	Org		Acct	D/C	
19 Alcohol & Drug Problem Assmt (VC 23249.55)	(BT6	01				1000	DR)	
	(BT6	31	HS	41193	8431		CR)	
20 Emergency Medical Services (H&S 1797.98a)	(BT7	01				1000	DR)	
	(BT7	31	HS	41192	8441		CR)	
21 Auto Fingerprint (AFIF)(GC 76009)	(DN6	01				1000	DR)	
	(DN6	31	SH	41058	8431		CR)	
22 Small Claims Advisory Service (CCP 117.4)	(DN7	01				1000	DR)	
	(DN7	31	AC	41061	9261		CR)	
23 Cash Overage Fund	(SH6	01				1000	DR)	
	(SH6	31	ND	55825	9680		CR)	
24 Civil Automation (GC 68090.7)	(SK3	01				1000	DR)	
	(SK3	02				7015	CR)	
25 Muni/Just. Courts Acctg. Auto (GC68090.8)	(DN9	01				1000	DR)	
	(DN9	31	KM	40740	8442		CR)	
26 Preferential Traffic Lanes (PC 1463.26)	(SS7	01				1000	DR)	
	(SS7	03				3301	CR)	
27 SCAQMD Fund (VC 42001.2)	(P61	01				1000	DR)	
	(P61	31	ND	53100	8424		CR)	
28 SCRTD Fund (PC 1462.3)	(SF5	01				1000	DR)	
	(SF5	03				3301	CR)	
29 Domestic Violence Program Fd (PC1203.097)	(GQ3	01				1000	DR)	
	(GQ3	31		40525	8409	1	CR)	
30 Superior Court – Fax Filing	(S3D	01				1000	DR)	
	(S3D	02				7088	CR)	

SCHOOL DISTRICT FUNDS:

35a Baldwin Park School District	(QA1	01				1000	DR)	
	(QA1	03				3301	CR)	
35b Citrus College	(QA1	01				1000	DR)	
	(QA1	03				3301	CR)	
35c Rowland School District	(QA1	01				1000	DR)	
	(QA1	03				3301	CR)	
35d	(QA1	01				1000	DR)	
	(QA1	03				3301	CR)	
35e	(QA1	01				1000	DR)	
	(QA1	03				3301	CR)	
35f	(QA1	01				1000	DR)	
	(QA1	03				3301	CR)	
	(QA1	01				1000	DR)	
	(QA1	03				3301	CR)	

Sub-total of Page 4

**CITRUS MUNICIPAL COURT
CLERK'S REQUISITION FOR DISTRIBUTION OF FUNDS**

Page 5
Month of:

VII. JOURNAL VOUCHER ENTRIES (continued)

		Acct				B/S		AMOUNT
Description	Fund	Type	Dept	Org	RSRC	Acct	D/C	
County G.F. – Distribution Pursuant to 1463.001								
36	Exp. Reimb Cities/County VC Violations	(A01	31	KE	14630	8409	CR)	
37	Misc. Codes & Ordinances Cities/County	(A01	31	KE	14630	8425	CR)	
38	Other Court Fines (Litter)(PC1463.9)	(A01	31	KE	14630	8427	CR)	
39	Other Court Fines VC (Litter)(PC 1463.9)	(A01	31	KE	14630	8412	CR)	
TOTAL GENERAL FUND SUBJECT TO CAP (lines 36 thru 39)(Do not key punch)								

COUNTY GENERAL FUND - PARKING & SPECIFIC DISTRIBUTION

41 Amnesty Program (VC 42008)	(A01	31	KE	14630	8406	CR)	
42 Motion for Summary Judgement (GC 26830)	(A01	31	KE	14630	9274	CR)	
43 Civil Assessments (PC 1214.1)	(A01	31	KE	14630	9288	CR)	
44 Legal Fees (P.D. Reimbursement)	(A01	31	KE	14630	9171	CR)	
45 Other Court Cost and Fees	(A01	31	KE	14630	9275	CR)	
45a Cost Recovery (PC 1463.22a)	(A01	31	KE	14630	8423	CR)	
Legal Form Fees	(A01	31	KE	14630	9642	CR)	
Criminal Lab Fund (20%)(H&S 11372.5)	(A01	31	KE	14630	9285	CR)	
48 Alcohol Fund (5%)(PC 1463.16)	(A01	31	KE	14630	9287	CR)	
49 Service Charge for NSF Checks (GC 71386d)	(A01	31	KE	14630	9738	CR)	
50 Night Court Assessment (VC 42006)	(A01	31	KE	14630	9279	CR)	
51 Bail Amount Increases (PC 1463.28)	(A01	31	KE	14630	8430	CR)	
52 Proof of Correction Fee (VC 40611)	(A01	31	KE	14630	8403	CR)	
53 Traffic School Fee Balance (VC 42007.1)	(A01	31	KE	14630	8421	CR)	
54 Parking Penalty, County	(A01	31	KE	14630	8403	CR)	
54a Handicap Assessment (PC 1465.6)	(A01	31	KE	14630	9278	CR)	
55 Parking Penalty, County CSU (PC 1462.3)	(A01	31	KE	14630	8403	CR)	
56 Parking Penalty, County Other (PC 1462.3)	(A01	31	KE	14630	8403	CR)	
TOTAL COURT REVENUES (lines 36 thru 56)(do not key punch)							

57 Lockheed	(A01	31	MC	15160	8409	CR)	
58 Property Tax Reduction (GC 29520)	(A01	31	ND	10001	9725	CR)	
59 District Attorney (B&P 7028)	(A01	31	DA	14030	8443	CR)	
60 District Attorney (H&S 25192)	(A01	31	DA	14030	8445	CR)	
61 District Attorney (VC 420012d)	(A01	31	DA	14030	8424	CR)	
62 Child Seat/Public Health (VC 27360 & 27362)	(A01	31	HS	23450	9203	CR)	
62a Parks & Recreation (CC, Title 17)(Non VC)	(A01	31	PK	27640	8425	CR)	
62b Parks & Rec (CC, Title 17)(VC Violations)	(A01	31	PK	27640	8409	CR)	
TOTAL GENERAL FUND	(A01	01			1000	DR)	
64 TOTAL DEPT TRUST FUND (Total Sec VII)	(TK7	02			7015	DR)	
(Total Section VII)	(TK7	01			1000	CR)	

remit funds to cities and unincorporated areas within our jurisdiction as well as the State Penalty Fund, the State General Fund, the Other Fund (fish & game, domestic violence etc.), the County General Fund, School District Funds and various Journal Voucher entries such as Hazardous Waste Enforcement, Countywide Warrant System, Alcohol Education and Lab Services.

The budgets for the courts in Los Angeles County are prepared one fiscal year in advance and are based upon past actual expenditures, estimated current expenditures and projected future expenditures and current and projected revenue. The Los Angeles County fiscal year is July 1 to June 30. Each Court's budget is a combination of zero-based and line item budget. Each year each Court begins with zero dollars on each line item. The Court Administrator of each Court and a budget analyst from the Chief Administrative Office negotiate the amount of dollars needed based on past, current and projected future expenditures to fund the Court. Subsequently, the Chief Administrative Office allocates the funds for each line item in the budget for the courts' operations, including salary and employee benefits, services and supplies, which includes communications, building maintenance, custodial, grounds maintenance, alterations and improvements, fixed assets and other

charges. If at the end of the fiscal year, June 30, any Court has dollars left that they have not expended, or have overrealized any revenue the dollars are reallocated to help cover any over expenditures made by other courts or county departments at the discretion of the Chief Administrative Office and the County Board of Supervisors.

One of the primary factors in negotiating budget funding increases is the ability of a court to generate additional revenues above the projected amount. The additional revenue can be used to offset any reduced funding from State Trial Court Funding or unexpected or unanticipated increase in Court expenditures whether maintenance or working condition improvements or cost of living increases or a special requirement of the bench officers. The goal of each Court is or should be to collect enough revenue to cover their operating expenses, thereby having a net county cost of zero. As operating expenses rise and State or County funding decreases, the need of all Courts to offset these increases by devising aggressive ways of collecting more revenue becomes imperative to their survival.

An example: Presently if a defendant fails to appear on a traffic matter, the Court will issue a 40508(a) warrant which gives law

enforcement the right to find, arrest and return the individual to Court. However, due to an increase in the State's percentage of revenue distribution and a decrease in law enforcement agencies percentage of revenue distribution, they do not seek out and arrest defendants with 40508(a) warrants on their record. On these cases no revenue is collected. Therefore, the court had to take on the responsibility to collect this potential revenue, if it was to be collected at all. This need to increase the revenue collected to meet rising operational costs, to fund new positions and to purchase modern equipment was the motivating factor behind courts' development of the various collection programs in progress today and in particular, the Citrus Municipal Court's in-house aggressive Collection Program.

Legislation, specifically Penal Code 1214.1 (**Appendix 1**), has enabled the courts to increase the amount of revenue collected by imposing this civil assessment, not to exceed (\$250), against any defendant who fails, after notice, and without good cause to appear in court for any proceeding authorized by law. The placement of the civil assessment enables courts to generate revenue not otherwise earmarked for distribution to other agencies. The civil assessment revenue is deposited in the County General Fund and may be used at the discretion

of the County. As stated in section 1214.1, when an assessment is imposed, the Court shall not issue a bench warrant or warrant of arrest with respect to the failure to appear. As will be discussed later, the Citrus Municipal Court utilized the personnel resources made available by eliminating the issuance of warrants to offset the added job duties related to the enhanced revenue collection program.

Penal Code 1205 (Appendix 2) allows the Courts to assign accounts to a collection agency. Section 26220 of the Government Code allows the County, by a four-fifths vote of the Board of Supervisors, to enter into an agreement with a collection agency for the collection of delinquent accounts.

Accounting requirements related to the civil assessment are as follows:

The civil assessment, fees, fines, penalties, assessments, and other monies collected for the underlying offense are required to be prorated in accordance with PC 1462.5 (Appendix 3)

The civil assessment shall be distributed 100 percent to the county general fund.

The civil assessment is not subject to the provisions of the Government Code 68090.8, 76000, and Penal Code 1464. Codes which determine the distribution of revenue collected.

The office of Gray Davis, Controller of the State of California provided the following information in response to several inquiries made of that office about the provisions of Penal Code (PC) Section 1214.1.

The civil assessment provided for in PC 1214.1 may be imposed for failure to appear on criminal cases, including traffic misdemeanor and infraction cases. However, this civil assessment may not be imposed for failure to pay. Additionally, a bench warrant or warrant for arrest may not be issued on a case subsequent to the imposition of the civil assessment.

Notice of the failure to appear may be given to the State Department of Motor Vehicles concurrently with the imposition of the civil assessment. The notice is required to be given within 60 days of the failure to appear, in accordance with Vehicle Code (VC) 40509 and 40509.5. Since the imposition of the civil assessment is in addition to any other penalty criminal cases, use of the civil assessment does not preclude the court from charging a person with a misdemeanor pursuant to VC 40508 or PC 853.7.
(Appendix 4)

PC 1214.1 restricts imposition of the civil assessment to cases in which the defendant fails to appear in court. The statute makes no reference whatsoever to failure to pay. The legal counsel of the State

Controller's office has provided that "Where a statute designates a particular subject or class and excludes others, the statutory provisions will ordinarily be presumed to be restricted to that subject or class mentioned within the statute in order to accord significance, if possible, to every word, sentence and part of an act." (Mercer v. Perez (1968) 65 Cal. Rptr. 315)

The Civil Assessment Collection Project was initiated by the Los Angeles County Municipal Courts when fourteen collection agencies were contacted by the Los Angeles County Court Administrators Association Budget Committee to develop a collection program pursuant to Penal Code 1214.1 for those Courts expressing interest with no start-up, direct or indirect costs to the Courts. Of the fourteen agencies contacted, GC Services Incorporated was interested and willing to develop a collection program for the Courts using the guidelines pursuant to Penal Code 1214.1. With the exception of Citrus Municipal Court and Los Angeles Municipal Court, the Courts and GC Services have worked together over the past two years in the development and implementation of a pilot project.

Excluding the Citrus Municipal Court and the Los Angeles Municipal

Court, the GC Services pilot program is an integral part of several of the municipal courts', revenue enhancement plans to assist in offsetting and lowering the net county cost as well as funding positions and procuring supplies.

In 1992, when the Courts, initially Pomona Municipal Court, began utilizing the services of GC Services, Citrus Municipal Court elected to develop an aggressive program, in-house, for collections, specifically civil assessment collections. It was Citrus Courts belief that by reallocating the duties of the current staff and maintaining control over the collection effort a greater result would be achieved for the Court and for the County General Fund.

There is a great deal of documentation across the states relating to fine collection and revenue enhancement. Outlined in this study is just a sampling of some of the specific efforts going on in various jurisdictions. Everybody is feeling the burden of reduced funding and increased costs. The solution to easing this burden lies in enhancing collections. Los Angeles County went two ways, outsource through private collection agencies and/or in-house programs. As a result of this study, the Citrus Municipal Court will have accumulated data which will

enable the Citrus Municipal Court to make an informed decision as to the most effective program for collecting fines and enhancing revenue on the Courts behalf.

FINDINGS

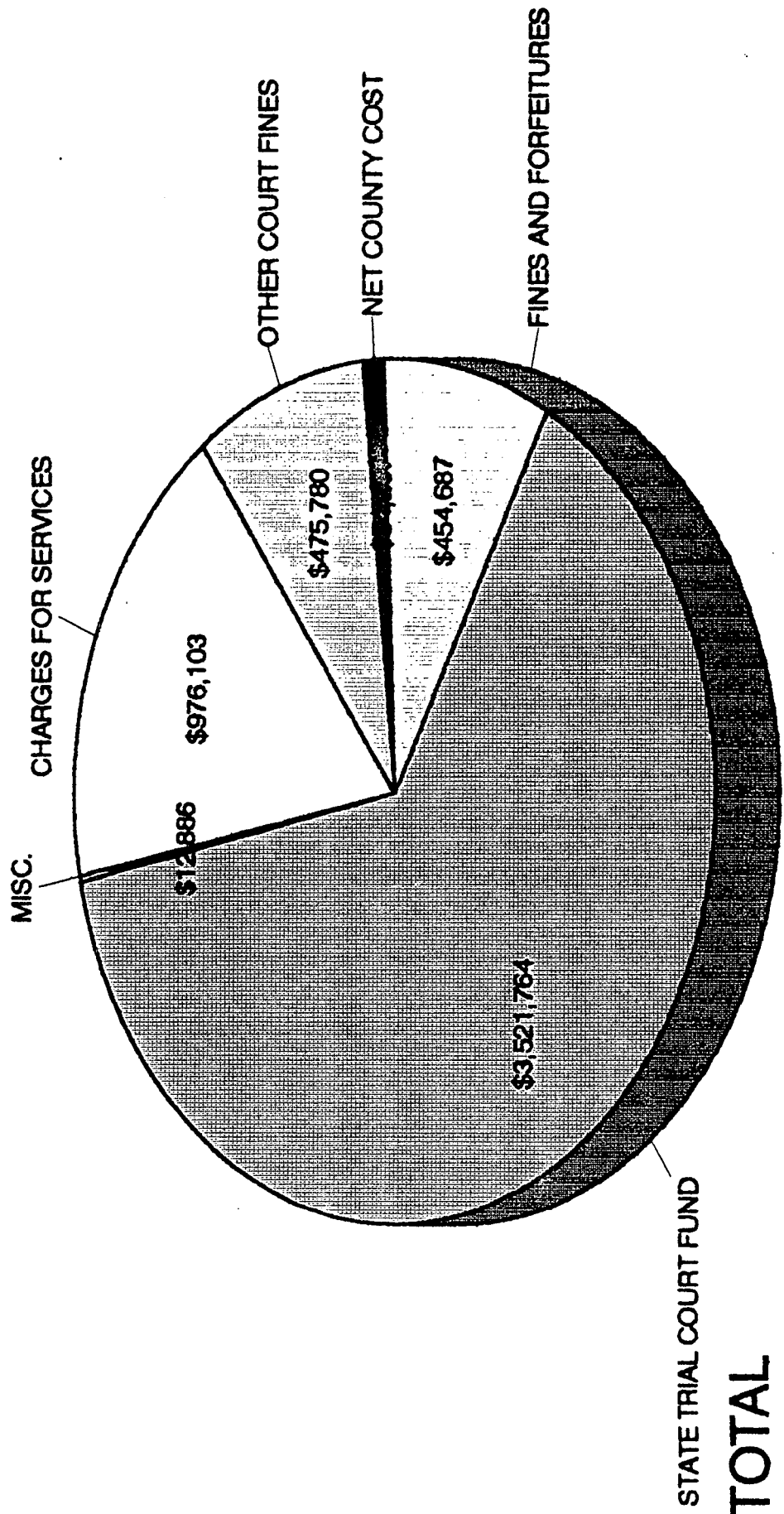
The State Trial Court Funding Act is responsible for funding the cost of the Courts, however due to state budgetary constraints, the state has funded between 35% and 65% each fiscal year. Court revenue and the County funding make up the balance of the funding.

In the fiscal year 1992-1993 the total revenue received to fund the court operations of Citrus Municipal Court was \$5,495,477 of which \$3,521,764 or 64.1 % was state trial court funding. Revenue from Court Charges for Services for that year was \$976,103 or 17.8%. Within Court Charges for Services was the civil assessment fees which totaled \$261,301 or 27.2%. The remainder was from court fees and costs, night court and legal services. (Figure 3)

In fiscal year 1993-1994 the total revenue received to fund the court operations of Citrus Municipal Court was \$5,536,353 of which \$2,984,707 or 51.1 % was state trial court funding. Revenue from Court Charges for Services for that year was \$1,663,976 or 28.5%. Within Court Charges for Services was the civil assessment fees which totaled \$837,173 or 50.5%. The remainder was from court fees and costs,

● CITRUS MUNICIPAL COURT ● REVENUE

1992 - 1993



TOTAL
\$5,495,477

Figure 3A

CITRUS MUNICIPAL COURT REVENUE

1992 - 1993

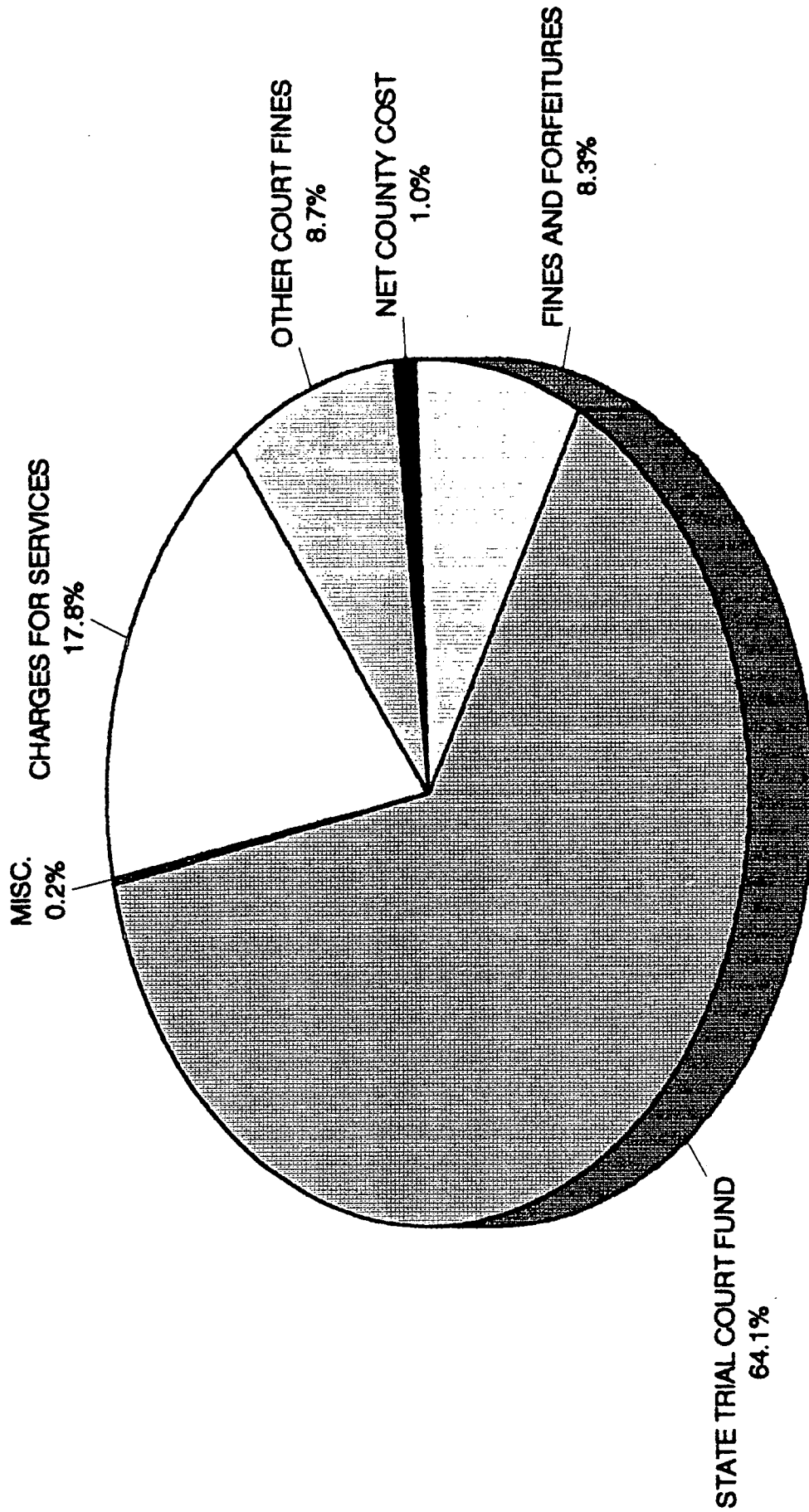
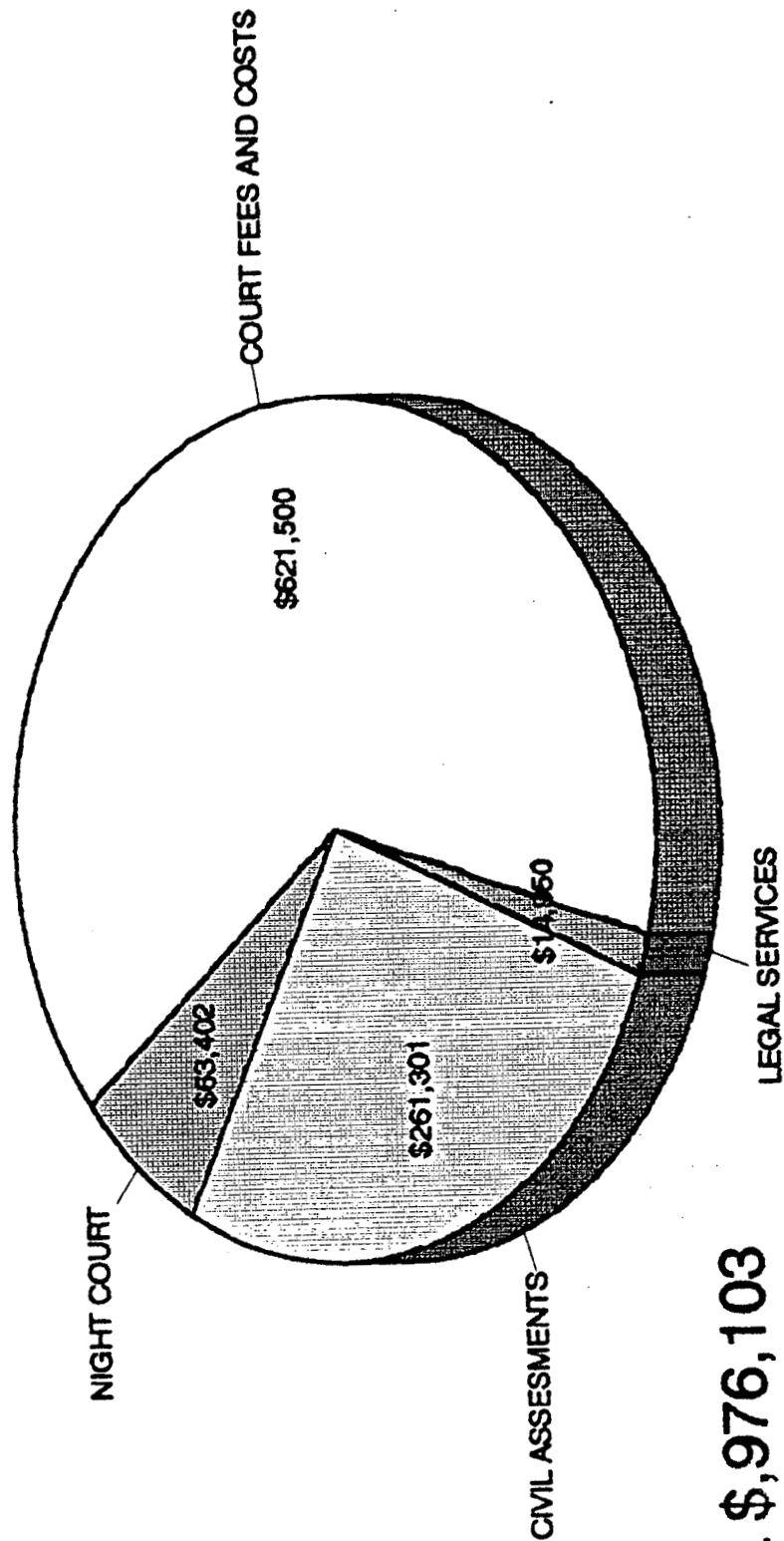


Figure 3B

CITRUS MUNICIPAL COURT

REVENUE - CHARGES FOR SERVICES

1992 - 1993



TOTAL \$,976,103

Figure 3C

CITRUS MUNICIPAL COURT

REVENUE - CHARGES FOR SERVICES 1992 - 1993

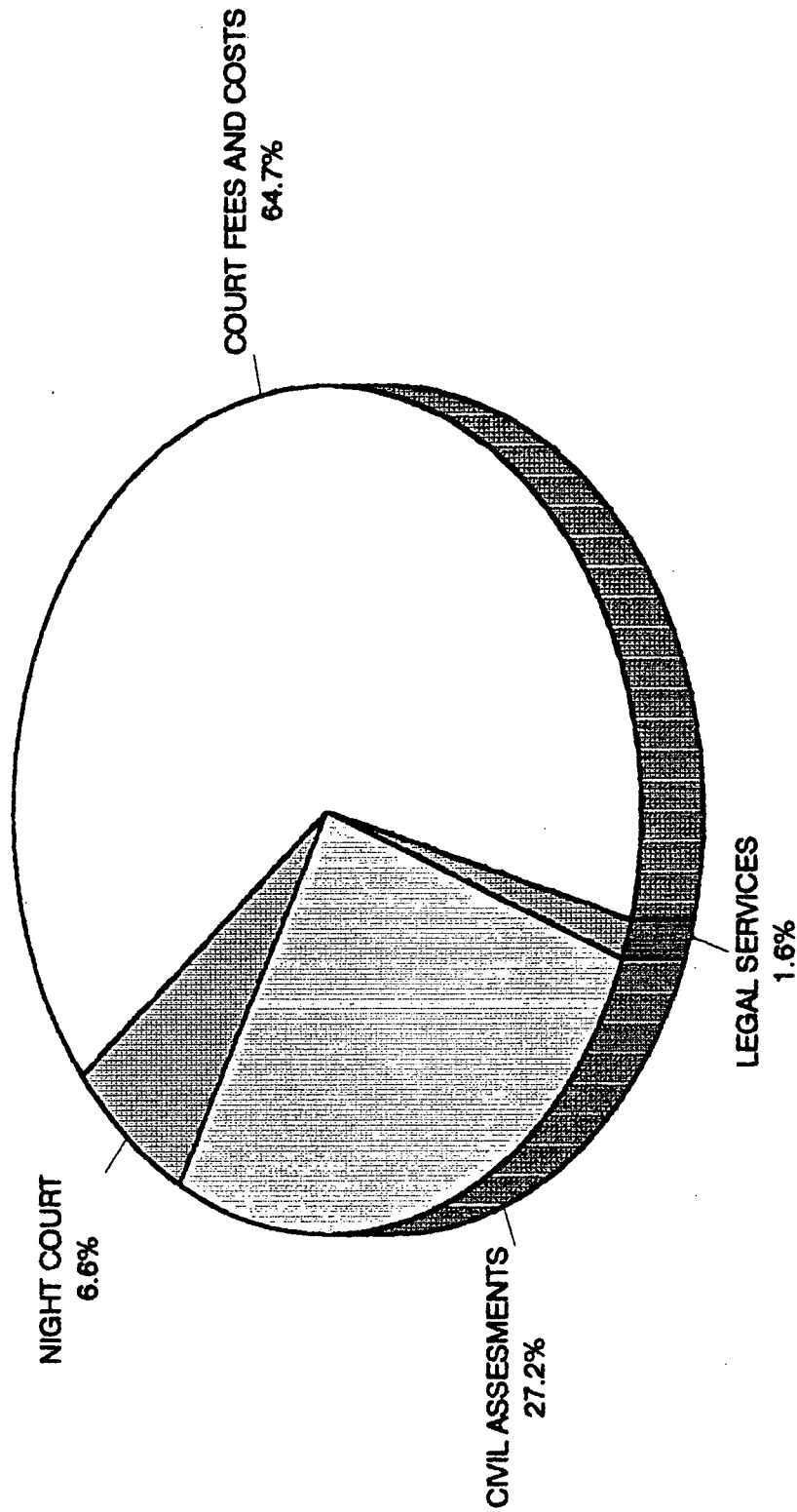


Figure 3D

night court and legal services. As trial court funding revenue decreases from the State and the County, the court was able to offset these losses with their civil assessment program thereby still remaining cost neutral to Los Angeles County (Figure 4).

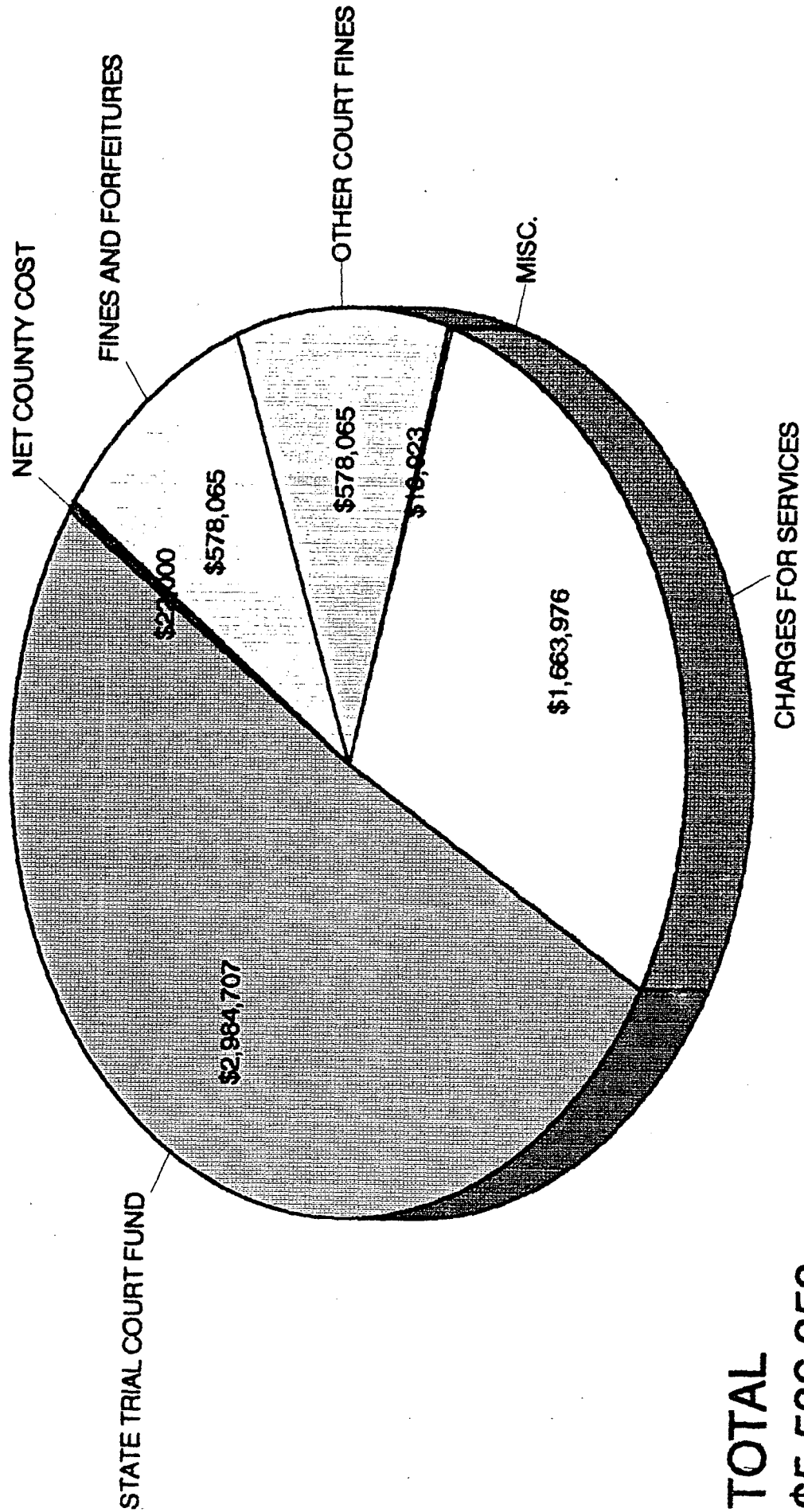
In fiscal year 1994-1995 the projected revenue to fund the court operations by Citrus Municipal Court is \$5,493,727 of which \$2,658,362 or 48.4% was state trial court funding. Revenue from Court Charges for Services for this year is \$1,953,733 or 35.6%. Within Court Charges for Services is the civil assessment fees which projected total is \$1,059,232 or 54.9%. The remainder was from court fees and costs, night court and legal services. Again I project that as trial court funding revenue from the State and the County decreases revenue from civil assessment must go to result in a neutral county cost. (Figure 5)

I can clearly see that without a Civil Assessment Program in effect to help offset decreased funding and rising operating costs, a Court would be unable to provide the public with anything beyond the minimum service required and quite possibly a reduction of services.

Each Court submits their budget to the Chief Administrative Office

CITRUS MUNICIPAL COURT REVENUE

1993-1994



TOTAL
\$5,536,353

Figure 4A

CITRUS MUNICIPAL COURT REVENUE

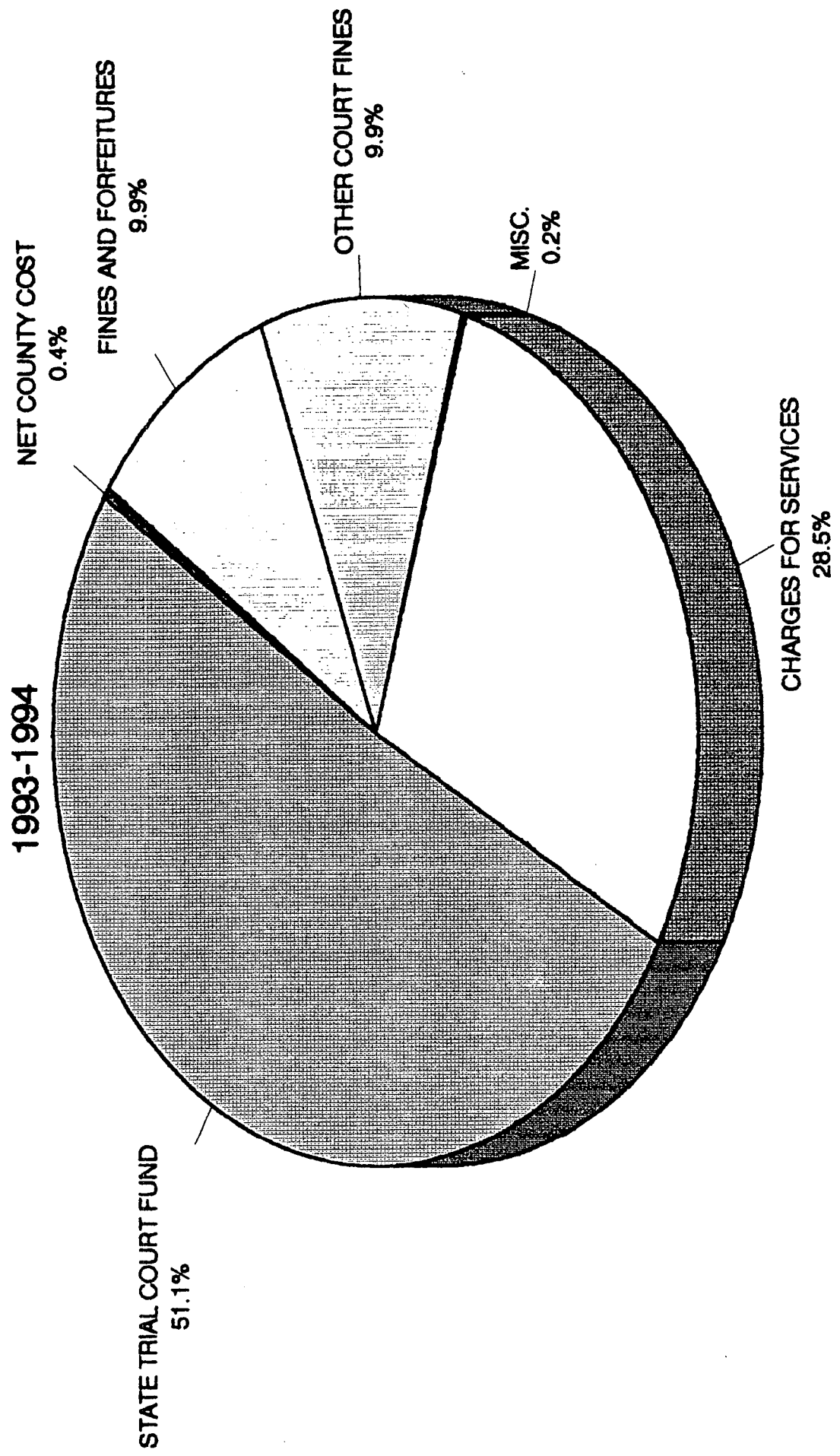


Figure 4B

CITRUS MUNICIPAL COURT

REVENUE - CHARGES FOR SERVICES 1993 - 1994

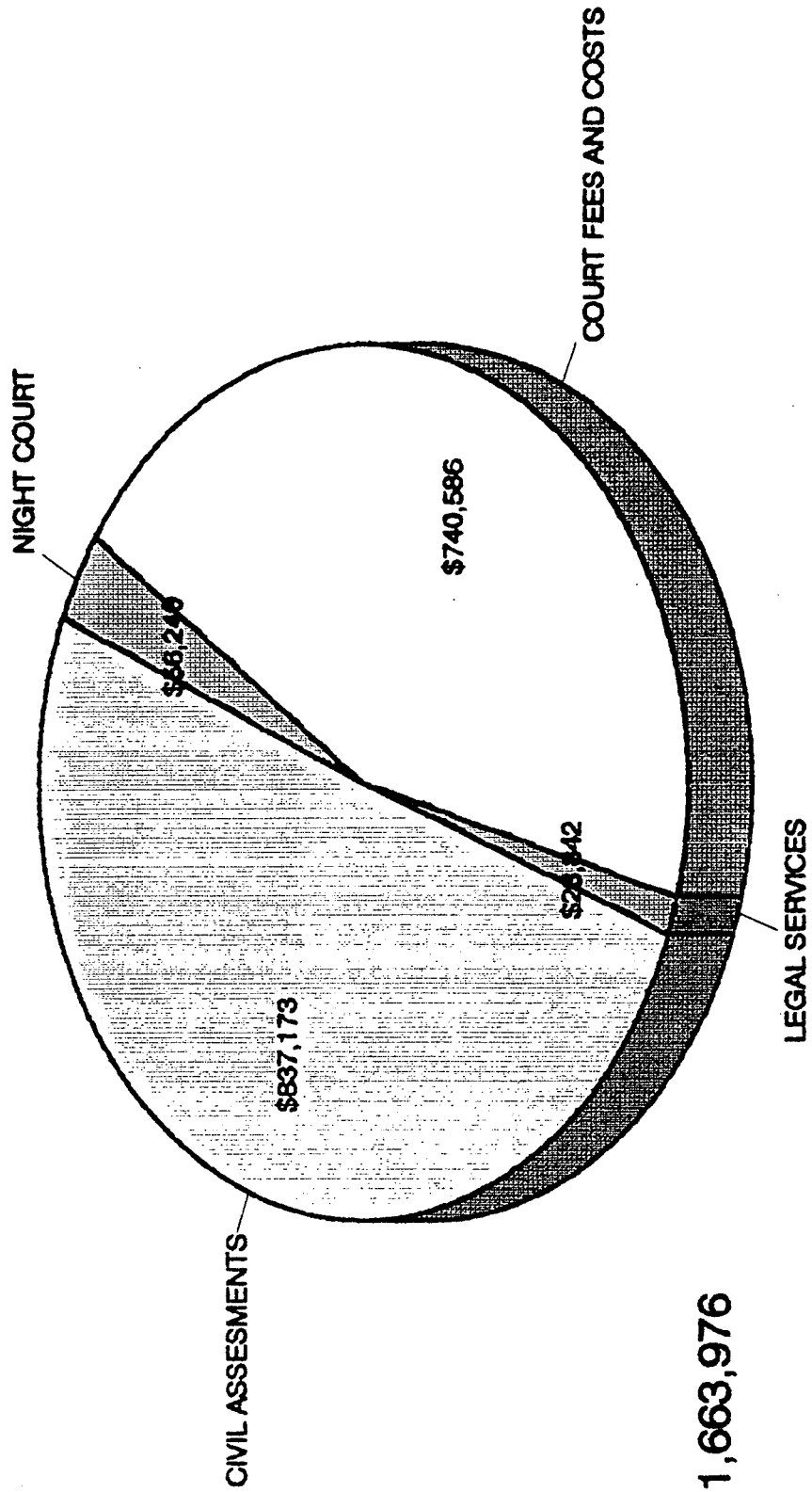


Figure 4C

CITRUS MUNICIPAL COURT

REVENUE - CHARGES FOR SERVICES 1993 - 1994

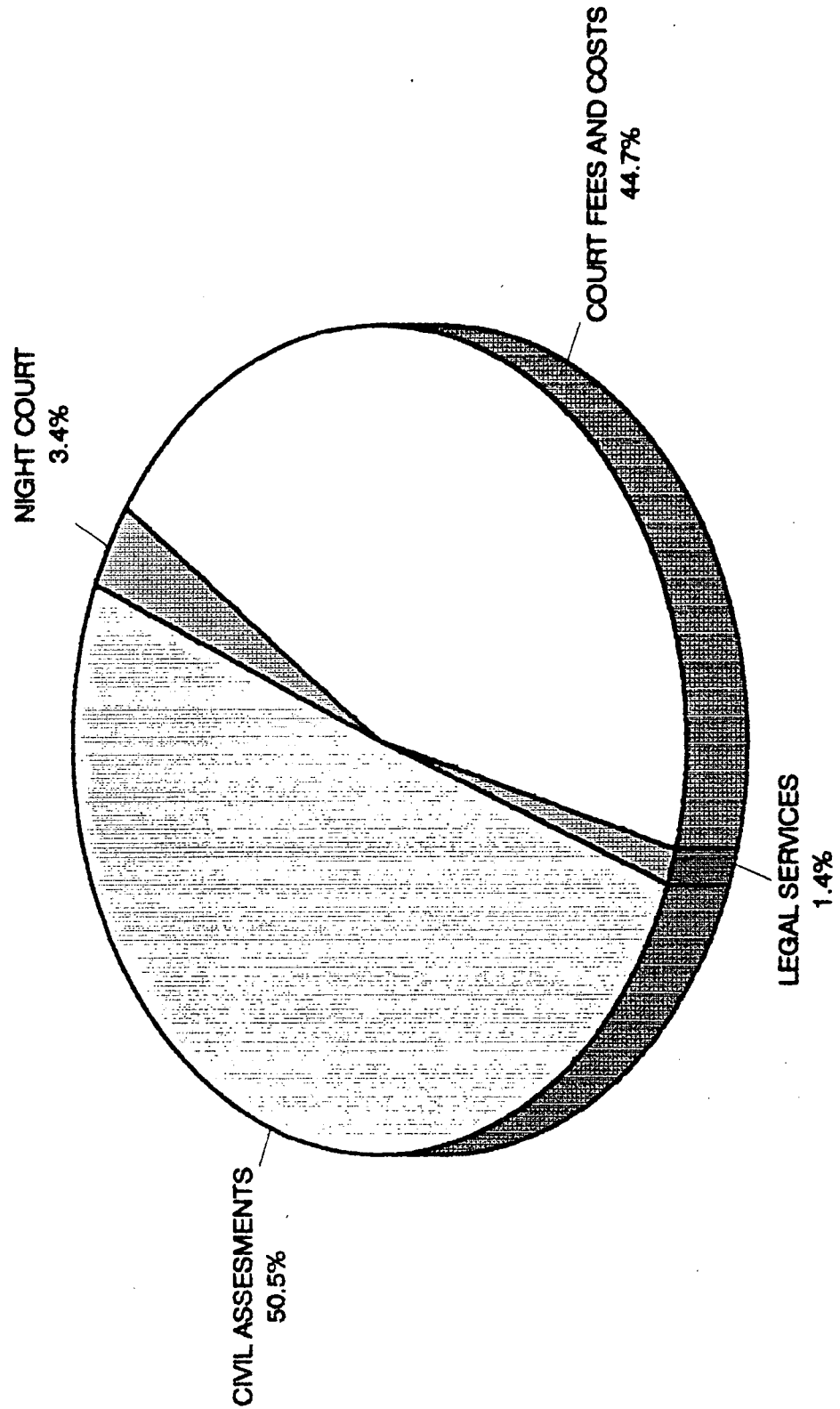


Figure 4D

CITRUS MUNICIPAL COURT PROJECTED REVENUE

1994 - 1995

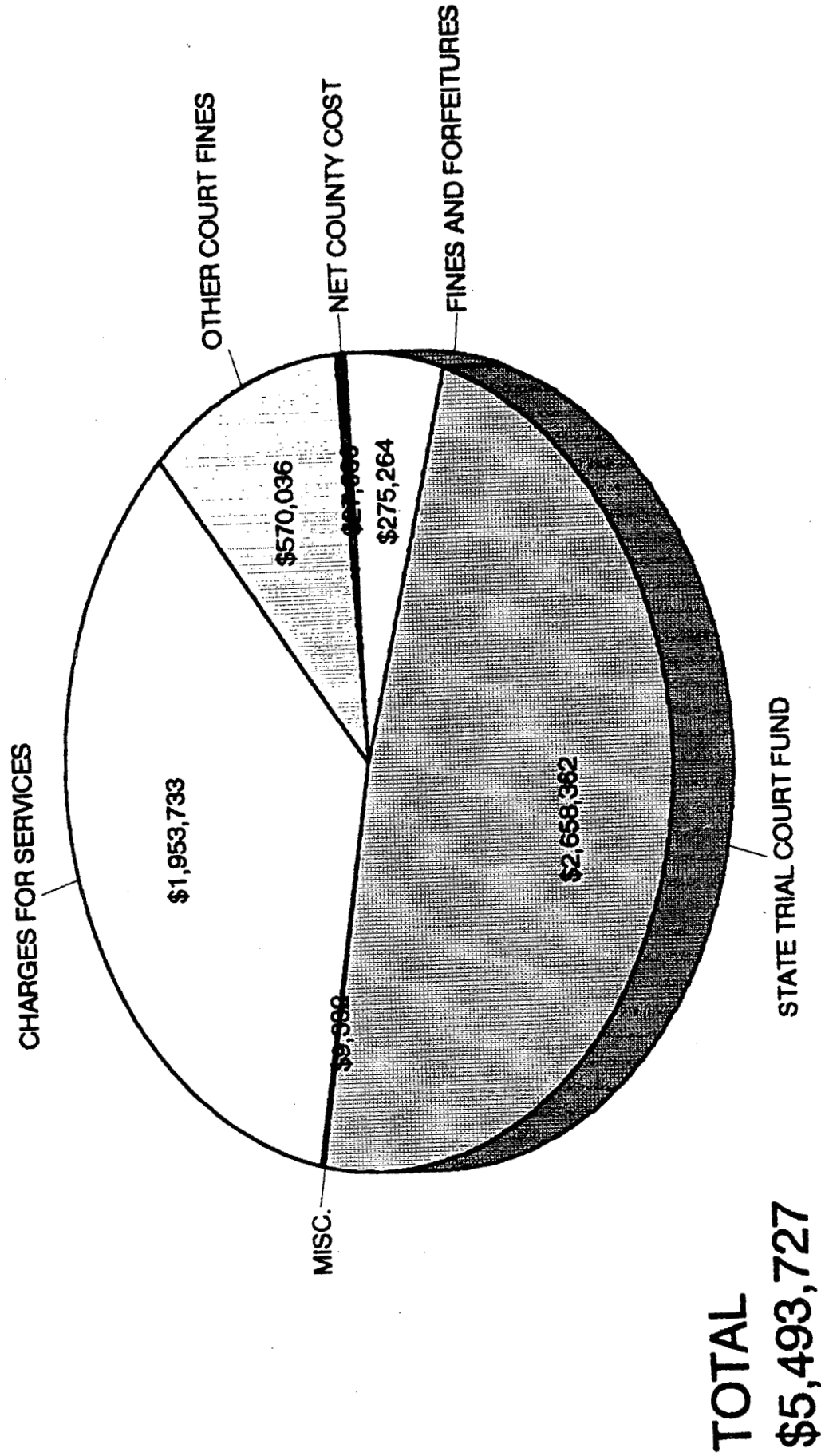


Figure 5A

CITRUS MUNICIPAL COURT

PROJECTED REVENUE

1994 - 1995

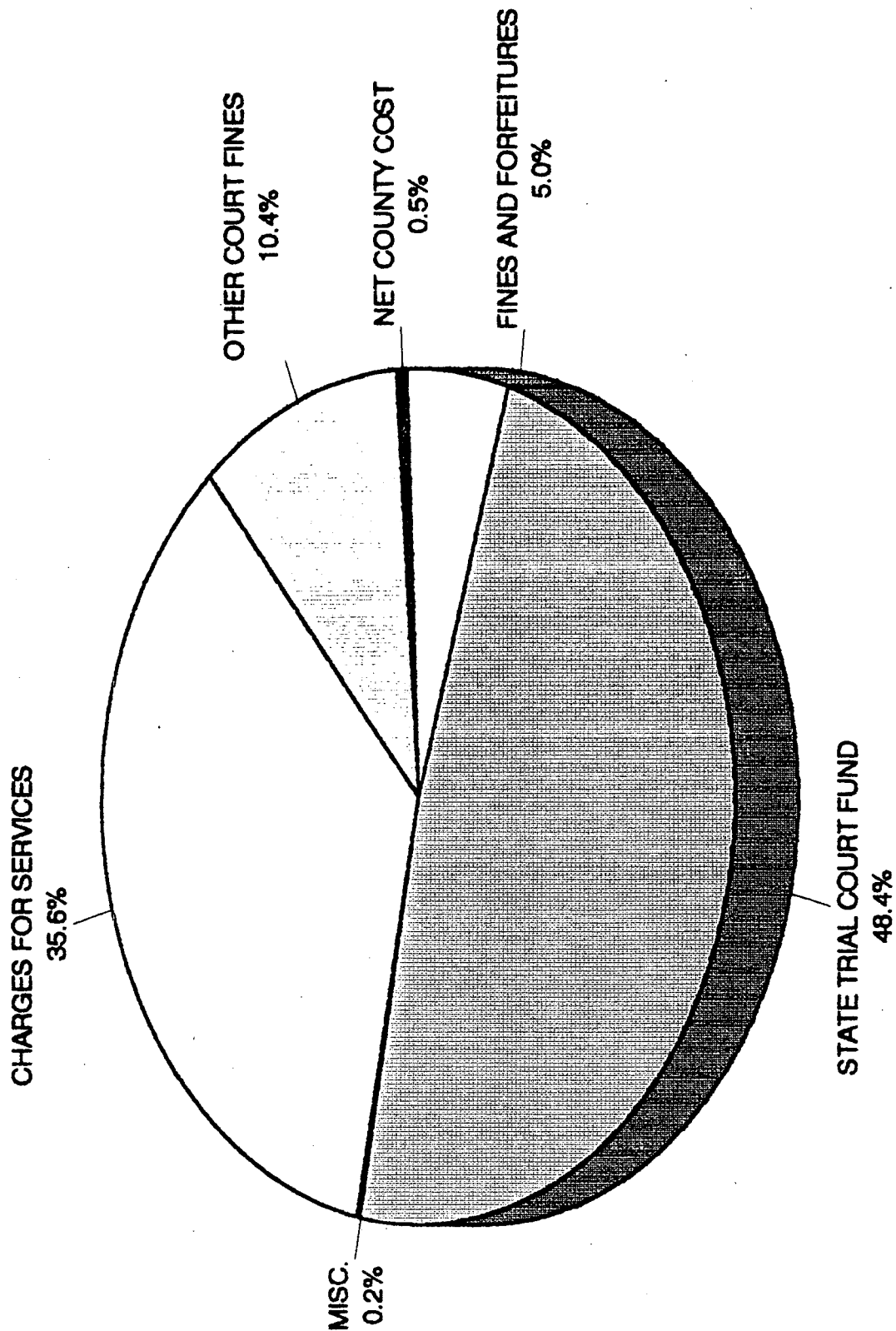


Figure 5B

CITRUS MUNICIPAL COURT

REVENUE - CHARGES FOR SERVICES 1994 - 1995

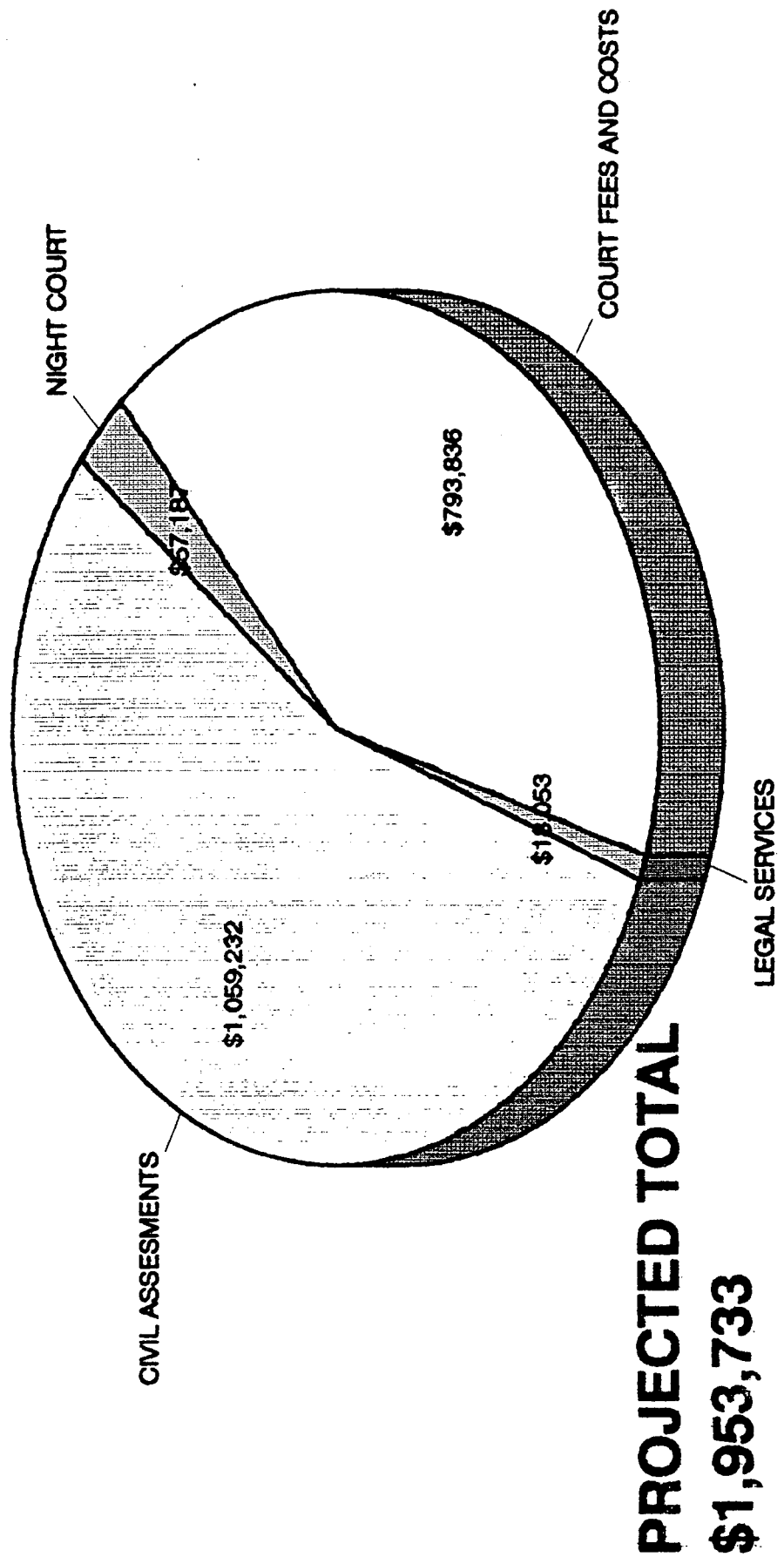


Figure 5C

CITRUS MUNICIPAL COURT

PROJECTED REVENUE - CHARGES FOR SERVICES

1994 - 1995

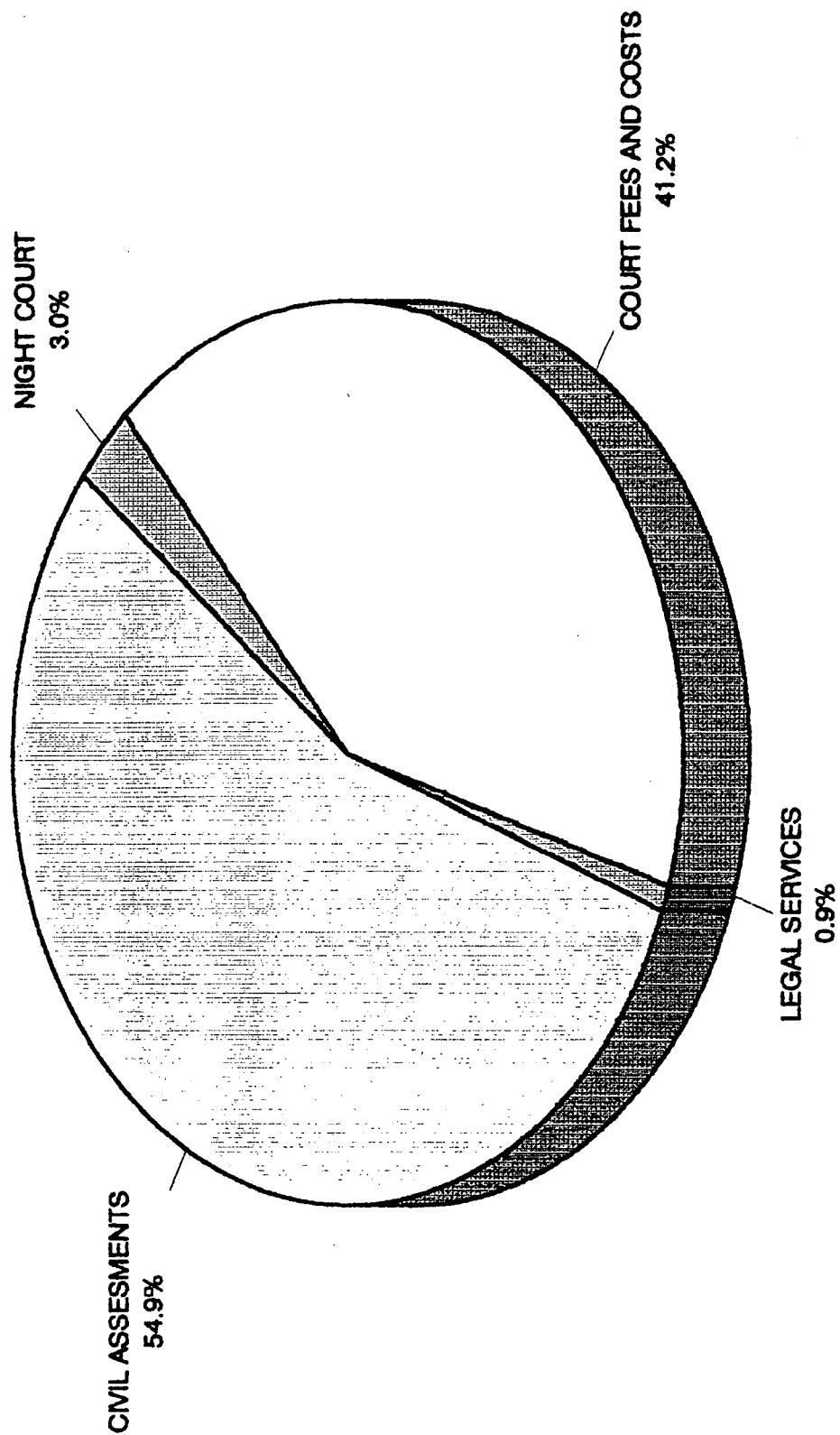


Figure 5D

who combines all courts' budgets into a single budget for the Los Angeles County Courts. The Chief Administrative Officer submitted this budget to the Los Angeles County Board of Supervisors and the State of California Trial Court Funding Committee. The estimated revenue from all Courts of approximately \$2 million was included in the last six months of the 1992-1993 County Courts combined budgets based on projected collections resulting from this program (**Figure 6**). Twenty (20) of the twenty-four (24) Municipal Courts in Los Angeles County are currently participating in the pilot as a means of revenue enhancement to offset rising costs and budget curtailments. GC Services has entered into a contract to provide collection services under Penal Code Section 1214.1 to any Los Angeles County Municipal Court that elects to participate in this pilot program.

In addition to the in-house and outsource collection efforts underway, the courts have implemented a number of programs to improve collections and increase revenues to the County General Fund as described below.

OTHER PROGRAMS TO IMPROVE COLLECTIONS

FRANCHISE TAX BOARD COURT COLLECTION PROGRAM: Assembly

MUNICIPAL AND JUSTICE COURTS--SUMMARY

Municipal Courts, established pursuant to Assembly Constitutional Amendment #49 approved by the electorate in the 1950 General Election, operate in judicial districts of 40,000 population or more as created by the Board of Supervisors. Salaries for judges and attaches as well as staffing requirements are established by statute. Court expenses include interpreter and jury fees; mileage; reporting and transcribing fees; and witness fees and expenses; and indigent defense costs.

Justice Courts, established pursuant to Assembly Constitutional Amendment #49 approved by the electorate in the 1950 General Election, operate in judicial districts of less than 40,000 population as created by the Board of Supervisors. Salaries for attaches as well as staffing requirements are fixed by the County.

FINANCING USES CLASSIFICATION	ACTUAL FISCAL YEAR 1990-91	ACTUAL FISCAL YEAR 1991-92	ADJUSTED ALLOWANCE 1991-92	REQUESTED FISCAL YEAR 1992-93	ADOPTED FISCAL YEAR 1992-93	CHANGE FROM ADJ ALLOWANCE
SAL & EMP BEN	\$ 109,407,458	\$ 121,375,256	\$ 121,781,000	\$ 135,946,000	\$ 119,713,000	\$ -2,068,000
SVCS & SUPPS	181,331,302	201,377,628	202,730,000	206,986,000	189,874,000	-12,856,000
LESS EXP DIST		114,551	114,000			-114,000
TOT S & S	181,331,302	201,263,077	202,616,000	206,986,000	189,874,000	-12,742,000
OTHER CHARGES	599,266	1,483,313	1,542,000	1,813,000	1,609,000	67,000
FA - EQUIPMENT	3,209,954	3,132,359	4,234,000	5,885,000	2,031,000	-2,203,000
GROSS TOTAL	\$ 294,547,980	\$ 327,254,005	\$ 330,173,000	\$ 350,630,000	\$ 313,227,000	\$ -16,946,000
LESS INT TRFS	51,485,421	59,371,293	59,158,000	59,267,000	59,051,000	-107,000
NET TOTAL	\$ 243,062,559	\$ 267,882,712	\$ 271,015,000	\$ 291,363,000	\$ 254,176,000	\$ -16,839,000
REVENUE	136,318,888	159,051,536	156,278,000	162,613,000	152,314,000	-3,964,000
NET CO COST	\$ 106,743,671	\$ 108,831,176	\$ 114,737,000	\$ 128,750,000	\$ 101,862,000	\$ -12,875,000
POSITIONS			2,376.3	2,542.0	2,372.8	-3.5

1992-93 Adopted Budget

The fiscal year 1992-93 Budget includes a reduction of \$12.8 million which represents its share of the State Trial Court Funding reduction. Also included in the recommendations are enhanced revenues based upon the anticipated implementation of a contract revenue enhancement program.

MUNICIPAL AND JUSTICE COURTS--SUMMARY

Municipal Courts, established pursuant to Assembly Constitutional Amendment #49 approved by the electorate in the 1950 General Election, operate in judicial districts of 40,000 population or more as created by the Board of Supervisors. Salaries for judges and attaches as well as staffing requirements are established by statute. Court expenses include interpreter and jury fees; mileage; reporting and transcribing fees; and witness fees and expenses; and indigent defense costs.

Justice Courts, established pursuant to Assembly Constitutional Amendment #49 approved by the electorate in the 1950 General Election, operate in judicial districts of less than 40,000 population as created by the Board of Supervisors.

FINANCING USES CLASSIFICATION	ACTUAL FISCAL YEAR 1991-92	ACTUAL FISCAL YEAR 1992-93*	ADJUSTED ALLOWANCE 1992-93	REQUESTED FISCAL YEAR 1993-94	ADOPTED FISCAL YEAR 1993-94	CHANGE FROM ADJ ALLOWANCE
SAL & EMP BEN	\$ 121,375,256	\$ 120,854,268	\$ 122,138,000	\$ 127,597,000	\$ 114,520,000	\$ -7,618,000
SVCS & SUPPS	201,377,628	199,055,454	200,671,000	199,662,000	125,656,000	-75,015,000
LESS EXP DIST	114,551					
TOT S & S	201,263,077	199,055,454	200,671,000	199,662,000	125,656,000	-75,015,000
OTHER CHARGES	1,483,313	1,619,813	1,897,000	1,763,000	1,630,000	-267,000
FA - EQUIPMENT	3,132,359	1,235,506	1,505,000	1,550,000	692,000	-813,000
GROSS TOTAL	\$ 327,254,005	\$ 322,765,041	\$ 326,211,000	\$ 330,572,000	\$ 242,498,000	\$ -83,713,000
LESS INT TRFS	59,371,293	59,470,711	59,534,000	58,950,000	485,000	-59,049,000
NET TOTAL	\$ 267,882,712	\$ 263,294,330	\$ 266,677,000	\$ 271,622,000	\$ 242,013,000	\$ -24,664,000
REVENUE	159,051,536	153,489,662	153,434,000	129,490,000	139,311,000	-14,123,000
NET CO COST	\$ 108,831,176	\$ 109,804,668	\$ 113,243,000	\$ 142,132,000	\$ 102,702,000	\$ -10,541,000
POSITIONS			2,372.8	2,445.7	2,359.8	-13.0

1993-94 Adopted Budget

The fiscal year 1993-94 Budget includes a reduction of \$15.1 million which represents its share of the State Trial Court Funding reduction. Also reflects the transfer of savings to finance the implementation of the Alternate Public Defender.

*Includes Res for Encumbrances

MUNICIPAL AND JUSTICE COURTS—SUMMARY

Municipal Courts, established pursuant to Assembly Constitutional Amendment #49 approved by the electorate in the 1950 General Election, operate in judicial districts of 40,000 population or more as created by the Board of Supervisors. Salaries for judges and attaches as well as staffing requirements are established by statute. Court expenses include interpreter and jury fees; mileage; reporting and transcribing fees; and witness fees and expenses; and indigent defense costs.

Justice Courts, established pursuant to Assembly Constitutional Amendment #49 approved by the electorate in the 1950 General Election, operate in judicial districts of less than 40,000 population as created by the Board of Supervisors.

FINANCING USES CLASSIFICATION	ACTUAL FISCAL YEAR 1992-93	ACTUAL FISCAL YEAR 1993-94	ADJUSTED ALLOWANCE 1993-94	REQUESTED FISCAL YEAR 1994-95	ADOPTED FISCAL YEAR 1994-95	CHANGE FROM ADJ ALLOWANCE
SAL & EMP BEN	\$ 120,854,268	\$ 120,167,565	\$ 121,232,000	\$ 136,790,000	\$ 120,933,000	\$ -299,000
SVCS & SUPPS	199,055,454	139,177,392	141,684,000	132,908,000	85,663,000	-56,021,000
LESS EXP DIST		600,000	600,000			-600,000
TOT S & S	199,055,454	138,577,392	141,084,000	132,908,000	85,663,000	-55,421,000
OTHER CHARGES	1,619,813	1,308,970	1,461,000	1,648,000	1,583,000	122,000
FA - EQUIPMENT	1,235,506	379,740	495,000	1,234,000	378,000	-117,000
GROSS TOTAL	\$ 322,765,041	\$ 260,433,667	\$ 264,272,000	\$ 272,580,000	\$ 208,557,000	\$ -55,715,000
LESS INT TRFS	59,470,711	1,047,126	879,000	495,000	495,000	-384,000
NET TOTAL	\$ 263,294,330	\$ 259,386,541	\$ 263,393,000	\$ 272,085,000	\$ 208,062,000	\$ -55,331,000
REVENUE	153,489,662	146,683,798	146,660,000	146,748,000	150,804,000	4,144,000
NET CO COST	\$ 109,804,668	\$ 112,702,743	\$ 116,733,000	\$ 125,337,000	\$ 57,258,000	\$ -59,475,000
POSITIONS			2,359.8	2,447.6	2,289.3	-70.5

1994-95 Adopted Budget

The fiscal year 1994-95 budget reflects the elimination of positions due to administrative unification or consolidation and other workload adjustments, use of special fund revenues to support the Municipal Courts' Data Processing Budget, and increased funding for mandatory related expenditures including interpreters, court reporters and indigent defense services.

Bill 3343, Chapter 1242 authorizes the Franchise Tax Board (FTB) to collect court ordered debts. For a collection fee not to exceed 9%, the Franchise Tax Board will take account referrals from a participating Court and will mail a demand for payment immediately upon receipt of the account. Franchise Tax Board has a variety of data sources available for locating debtors and debtors' assets. Those sources are:

1. Personal Income Tax - FTB maintains approximately 21 million records of Personal Income Tax filers. The tax return information is used to locate debtors and obtain financial information.
2. Payer Information - FTB maintains over 20 million records relating to wages, dividends, interest and miscellaneous income paid to California residents. information is provided by Employment Development Department, Board of Equalization, employers, counties, financial institutions, labor unions and the Internal Revenue Service.
3. Real Property - FTB maintains approximately 4.8 million county property records provided annually by the Board of Equalization.
4. Internal Revenue Service (IRS) - FTB is provided tax

return information of California filers by IRS.

5. Credit Bureaus - FTB uses the services of the three major credit reporting agencies: TRW, Equifax and RCA.
6. Department of Motor Vehicles (DMV) - FTB has access to vehicle and address information maintained by the California DMV and other states' DMV as well.
7. Licensing Bureaus - FTB uses a variety of licensing bureaus for locating debtors; such as Contractors Licensing Board, State Bar Association, Chiropractic Examiners Board, Board of Cosmetology, Board of Dental Examiners, and the Department of Consumer Affairs.
8. U.S. Post Office - FTB can obtain street addresses for debtors when the only address of record is a P.O. Box.
9. Board of Equalization - FTB has access to Board of Equalization sales tax records which can be used to locate debtors.

After approximately 30 days from the date the Franchise Tax Board mails a demand for payment, FTB will commence to take involuntary (aggressive) collection actions. Those actions are:

1. Wage Garnishments - FTB will issue Earnings Withholding Orders (EWO's) to employers of record. EWO's are

continuous levies and remain in effect until the debtor terminates employment or the debt is satisfied. Employers do not withhold and remit funds as directed can be held liable for the amount that should have been collected.

2. Attachment of Funds - FTB will issue Orders to Withhold (OTW's) to financial institutions and payers of record instructing them to seize and remit funds under their administrative control. Among the types of funds that may be seized are:
 - a) Checking and savings accounts
 - b) Certificates of deposit
 - c) IRA's and Keogh plans
 - d) Escrow funds
 - e) Vacation Trust Funds
 - f) Dividends
 - g) Commissions, royalties, residuals, rental income, alimony, and proceeds for insurance claims.
3. Property liens - FTB will file liens in counties in which the debtors own real property, as well as counties within which the debtors reside.

4. Seizure of Property (Warrants) - FTB will issue warrants for the seizure of personal property, including:
 - a) Automobiles, boats, airplanes, and motor homes
 - b) Safety deposit box contents
 - c) Cash register contents
 - d) Jewelry, art, heirlooms, and cash
5. Income Tax Refund Intercepts - FTB has the authority to offset court ordered debts against Personal Income Tax refunds due taxpayers.

The Franchise Tax Board Collection Program requires participating courts to refer debts in batch form by County, not individually. The Program requires extensive staff involvement from each participating court. Through the Budget Committee of the Los Angeles County Trial Court Administrators Association, a memorandum of understanding for the collection of debts through the Franchise Tax Board is being devised (Appendix 5). Any monies collected from a debtor by the Franchise Tax Board are applied to outstanding debts in the following order:

1. Federal Income Tax
2. State Income Tax
3. Child Support

4. Delinquent wages owed the state Department of Industrial Relations
5. Delinquencies collected under the state Department of Motor Vehicles delinquent registration program
6. Collection for delinquencies in payment of court ordered debt
7. Delinquent penalties owed the state Department of Industrial Relations
8. Delinquent fees owed the state Department of Industrial Relations

I think the Franchise Tax Board Program is a viable program as a follow-up to a court's in-house program. Once the court has exhausted its collection efforts, any monies the FTB can bring in through their expertise is money the courts would probably never have been able to collect.

AMNESTY PROGRAM: The State has approved the continuance of this program for arrest warrants issued on or before April 1, 1991. The County may retain 100 percent of any collected fine or forfeiture. These cases are set at 70 percent of the original amount. From July 1993

through June 1994, this program has resulted in revenue of \$80,629 for the Citrus Municipal Court. From July 1994 through March 1995, this program has resulted in revenue of \$43,834 for the Citrus Municipal Court resulting in total revenue to date of \$124,463 (Figure 7).

HOLDS ON VEHICLE REGISTRATION OR DRIVERS LICENSE: This method is effective for licensed offenders and those who drive registered cars and provides that one's drivers license or automobile registration will not be released or renewed until outstanding warrants are paid through the Department of Motor Vehicles (DMV). The license hold is for moving violations while the registration hold is for parking violations. Either can be used in conjunction with a warrant or a civil judgment.

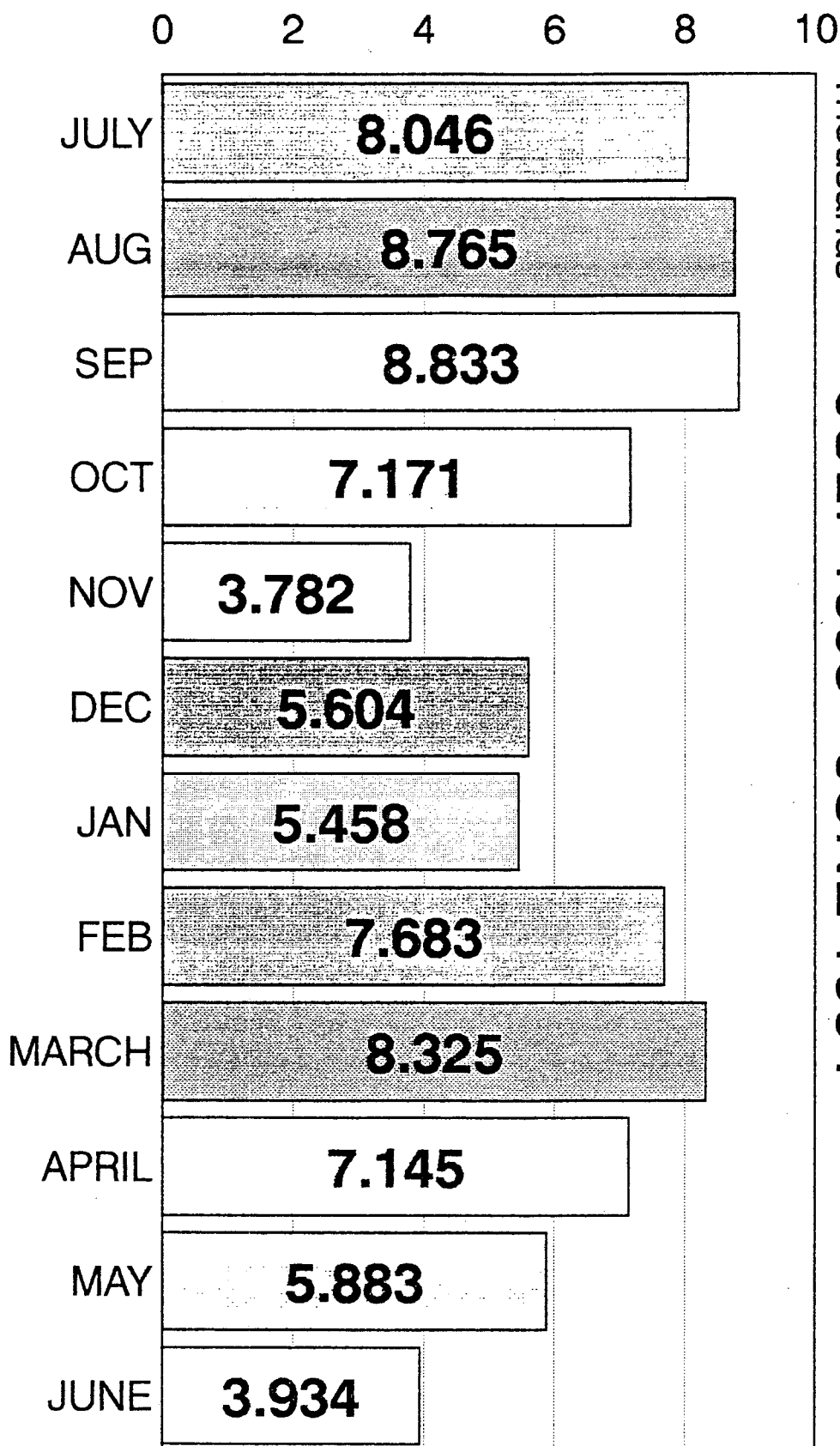
FAILURE TO APPEAR/PAY WARRANTS: This method requires the Court to issue a warrant of arrest for a defendant failing to appear as promised or failing to pay a fine as ordered by the Court. This method was more effective when parties with warrants were arrested, but federal limits on jail population has resulted in fewer arrests on minor traffic violations. The threat of a warrant no longer has the same impact of being arrested and taken to jail although DMV does require that the warrant be adjudicated prior to renewing the party's drivers license.

CITRUS MUNICIPAL COURT

AMNESTY PROGRAM

Thousands

JULY 1993 - JUNE 1994



TOTAL \$80,629.00 JULY 1993 - JUNE 30, 1994

Figure 7A

CIVIL PROCESS: This method avoids a warrant and converts fines into civil sanctions as a judgment. The Court must then attempt to collect the civil judgments through the process of a writ of execution levied against a defendants bank account or place of employment. This method is not effective as the court rarely has knowledge of a defendants place of business or the whereabouts of his bank account. The court can however, file an abstract of judgment with the County Records Office without any personal knowledge of a defendant other than his name. The abstract of judgment records as a lien against any real property the defendant has or acquires for a ten year period from the date the abstract is issued.

CREDIT/DEBIT CARD AND REGIONALIZED COLLECTIONS CENTERS: At the present time, Los Angeles Municipal Court will accept credit cards and Long Beach Municipal Court will accept both credit cards and debit cards for payments of fines and assessments and other cases eligible for cost recovery. Collections payable with credit/debit cards is a pilot project, not yet available in all courts as the County has an agreement with "Discover" cards to utilize their card on any new projects.

VENTURA COUNTY SUPERIOR AND MUNICIPAL COURTS CIVIL

ASSESSMENT FOR FAILURE TO APPEAR: Whenever a person is issued a citation for any violation of the Vehicle Code relating to a traffic infraction, a courtesy notice is mailed by the court to the defendant.

One day following the scheduled appearance date, if the defendant has failed to appear:

The Ventura County Municipal Court will notify the Department of Motor Vehicles to place a hold on the defendants drivers license and vehicle registration until such time as the fine has been paid.

The court will mail a warning notice to the defendant by first-class mail to the address shown on the notice to appear or to the defendant's last known address informing the defendant of the court's intent to impose a civil assessment of \$250 in addition to any other penalty imposed against the defendant who fails, after notice and without good cause to appear in court for any proceeding authorized by law. The assessment shall not become effective until 10 calendar days after the court mails a warning notice.

If any defendant appears within the time specified in the notice, he or she will complete a Petition and Order Re: Vacating Civil Assessment to show good cause for the failure to appear. The petition will be

presented to the court ex-parte.

If the petition is denied, the civil assessment will remain in full force and effect and the defendant will be ordered to pay the penalty and civil assessment. The defendant will be referred to the Superior and Municipal Court Collections unit for payment.

If an assessment is imposed under Penal Code 1214.1 no bench warrant or warrant of arrest shall be issued with respect to the failure to appear at the proceeding for which the assessment is imposed.

If the defendant fails to appear following the receipt of the warning notice, an Order Levying Civil Assessment on Failure to Appear will be issued.

The case is then referred to Superior and Municipal Court Collections for follow-up and attempt to collect for a period of 60 days. If collection efforts are unsuccessful during the 60 day period, the case will be referred to an outside collection agency for an additional 60 days period. Further failure to collect will result in the Order Levying Civil Assessment being vacated and a 40508(a) VC warrant will be issued.

Specific jurisdictions have displayed unique approaches to address the issue of collection/revenue enhancement:

MARICOPA COUNTY ARIZONA - Application of a systematic approach to collecting both current and past-due fines and restitution; and development of standard procedures of operation for handling collections to provide consistency among the Maricopa County Justice of the Peace Courts. The debt setoff program allows courts, in conjunction with the Arizona Department of Revenue (DOR), to intercept Arizona State income Tax refunds to obtain compliance with monetary court orders.

STATEN ISLAND DAY-FINE PROJECT - The Staten island pilot study demonstrated that by taking into account an offender's ability to pay when the fine amount is set the levied fine is collectible and proportionate to the severity of the offense.

COLORADO COLLECTIONS INVESTIGATOR PROGRAM - A pilot collections program was established in three Colorado county courts of limited jurisdiction and given a collections investigator who was responsible for interviewing defendants requesting stays of execution on their fines and costs, granting or denying stays based on defendants'

financial abilities, and contacting defendants with delinquent cases.

EL CAJON MUNICIPAL COURT - Pilot project involving "Payment Reminder" notices being mailed to defendants two weeks before the due date of their fines.

LOS ANGELES COUNTY MUNICIPAL COURTS COLLECTION PROGRAMS:

The Los Angeles County Municipal Courts have the Los Angeles County Board of Supervisor's approved collection enhancement pilot project contracts with two major collection agencies: General Collection (GC) Services and Lockheed IMS.

When entering in an agreement with a Municipal Court, GC Services, if requested, will provide, pay for and install a computer and a staff person to assist the public at each participating court. The cost for the installation and ongoing operation of the computer, as well as the salary of the staff person located at the court is the responsibility of GC Services. GC Services is also responsible for the costs of mailing the required notification to the affected parties, payment processing services, and all necessary follow-up collection activity. However, checks paid to GC Services and returned for non-sufficient funds are returned to the

courts for further action.

The GC Services pilot program includes collection of traffic/criminal cases for failure to appear, pursuant to Penal Code Section 1214.1. Under this program, a civil assessment is imposed up to \$250 per case.

GC Services fee is negotiated with each court but is limited to either a flat fee of \$125.00 per case or 30% of the total value of the case, not to exceed \$250.00 per case. GC Services' fee is taken solely from the civil assessment monies thereby not effecting the underlying fine or distribution of the funds, and does not result in any direct charge to the participating courts' operating budgets. The courts receive the underlying fine and the balance of the civil assessment less the GC Services commission from GC Services and distributes the money in accordance with Penal Code 1463 and to the County General Fund Revenue (**Appendix 6**).

On a monthly basis, GC Services receives from its contract courts approximately, 11,000 delinquent accounts approximately 10 days after the account becomes due via magnetic tape from the Courts. GC Services generates a notice to each individual who has a delinquent

account.

If the notices do not generate a response within 10 days, GC Services attempts to contact the individual by telephone. If contacted by telephone, the individual is asked for the money to pay the account and if the individual is unable to pay, time payments are set up. If unable to contact the individual, another notice is sent out.

GC Services furnishes an employee at each participating Court to handle any individual who has a GC notice for collection. The GC Services employee either collects the money or sets up time payments. All money collected by GC Services through the mail or at the Court is deposited into GC Services account to be distributed at a later date to the Court. If an individual gives GC Services a non-sufficient fund or account closed check, GC Services deducts that amount from the Courts portion of the monies collected and notifies the Court of their action.

Depending on the Courts and GC Services agreement, if after working the account for the agreed amount of days, from 90 to 180, GC Services is unable to collect any money, the account is returned to the Court as uncollectible and the Court may then issue a hold with the

Department of Motor Vehicles. The individual will not be able to renew their drivers license until the account is settled.

The GC Services program was initiated in November 1992 and since its inception through November 1994, a total of \$155,535,846 has been referred for collections. A total of \$25,654,599 was collected, resulting in a 16.49% collection rate. After deducting GC Services commissions of \$7,619,644, this program generated a total of \$18,043,955 in revenue. \$7,409,477 is a result of the civil assessment collection program and goes directly as revenue into the County General Fund. The remaining \$10,634,478 was subject to the normal distributions as required under Section 1463 of the Penal Code, as well as other trust and special fund distributions. The number of accounts returned as uncollectible totaled \$77,063,926 or 49.5% of referrals. In evaluating GC Services performance, indirect benefits must be highlighted, they are:

1. Project was implemented with no cost to the courts.
2. GC Services assigned additional staff at each participating court's location at no additional cost to the courts.
3. The Countywide Warrant System (CWS) did not incur any significant loss of revenue as a result of civil

assessments issued in lieu of warrants issued. Whenever a warrant is issued and transmitted to CWS and a warrant is adjudicated, the agency is assessed a \$7.00 fee which is added to the bail for each warrant removed from CWS.

Most of the contracted requirements set forth in the GC Services contract for collections were met by GC Services, except for the following:

- * Writs of execution
- * Credit Bureau reporting
- * Reporting to Franchise Tax Board
- * Comprehensive level of effort reports

These contracted requirements of the agreement have been addressed in the "Invitation for Bids to Provide Collection Services to the Superior and Municipal Courts in Los Angeles County" (IFB) (**Appendix 7**) that has been prepared at the request of the Los Angeles County Trial Court Administrators Association Budget Committee. The reasons for the above requirements/elements of the agreement not being met ranged from GC Services' program deficiency, GC Services procedures not having been written and legal impediments. The structure of the GC Services commission and invoicing have not yielded the optimum level of

return for the courts or the county. At this time GC Services collects the money deducts their commission and sends the court the remainder.

Ideally, I think GC Services should send all the money collected to the courts and the court should pay GC Services their commission. Allowing the Courts to have control over the monies collected sooner and to receive the interest on the monies.

IN-HOUSE COLLECTION PROGRAMS:

Within one year of Citrus Municipal Court beginning their own aggressive in-house collection efforts, Long Beach and Malibu Municipal Court followed Citrus Municipal Courts lead by initiating their own in-house collection effort based upon Citrus Municipal Court's methodology. Alhambra, Antelope, Beverly Hills, Burbank, Compton, Culver City, Downey, East Los Angeles, Glendale, Southeast, Inglewood, Los Cerritos, Newhall, Pasadena, Pomona, Rio Hondo, Santa Anita, South Bay and Whittier Municipal Courts utilize the GC Services collection agency and Los Angeles and Santa Monica Municipal Courts are currently utilizing Lockheed IMS collection agency.

CITRUS MUNICIPAL COURT IN-HOUSE PROGRAM:

Prior to the commencement of the Citrus Municipal Court Revenue Enhancement Program, Citrus Municipal Court conducted a survey to all the Courts throughout the State of California to determine if they had an in-house collection program or were using a collection agency to collect past due fines (Figure 8). The survey was limited to 10 questions in order to facilitate a response from those surveyed. Approximately 45% of the courts responded to the survey and of those responding 80% were using an outside collection agency and the 20% remainder of those courts responding were using an in-house collection program. Comments from those courts responding indicated that the courts found it more cost effective to use a collection agency thereby eliminating any direct or indirect costs to their court. It should also be noted that those courts that had their own in-house collection program had a much easier time collecting and distributing the money with a lot less paperwork.

Distribution of fines, fees and forfeitures must be made pursuant to Penal Code 1463 and the policies and procedures of the Los Angeles County Auditor-Controller's office. This is labor intensive and requires absolute accuracy to avoid any misapplication of funds to any agency.

Collection Survey

1. Does your court have a collection program.
☐ yes
☐ no
2. Is your collection program administered
☐ by your court
☐ by a collection agency
3. If in-house collection program what is your collection rate
☐ under 10 %
☐ 11 - 15 %
☐ 16 - 20 %
☐ over 21 %
4. If using a collection agency what is their collection rate
☐ under 10 %
☐ 11 - 15 %
☐ 16 - 20 %
☐ over 21 %
5. If using a collection agency is the fee paid per case to the agency
☐ yes
☐ no

Figure 8

6. Does the collection agency have access to your computer system

_____ yes

_____ no

7. How long does the collection agency "work" the account before it is returned to the court as uncollectible? _____

8. Does the collection agency furnish an employee to process the civil assessment in the courthouse

_____ yes

_____ no

9. How long does it take for the collection agency to send the court the collection forfeitures and fines? _____

10. Does the collection agency (a) deduct the fee from the money collected? (b) send all the money collected to the court and then the court returns the agency fee?

_____ (a)

_____ (b)

I determined that Courts utilizing outside agencies to collect revenue were forced to rely on the bookkeeping of that agency to determine which accounts were paid either in whole or in part. I think this reliance places the court in the precarious position of reporting distributions based on information provided by a private industry organization who the court has little authority over.

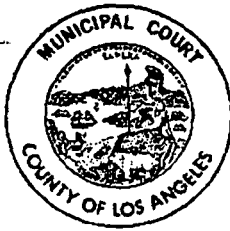
In December 1992, the Citrus Municipal Court began an in-house collection program utilizing 1214.1 Penal Code civil assessment statute. Prior to production, the Citrus Municipal Court, determined the number of 40508(a) Vehicle Code violations, citation/case that is in warrant status, that were paid through the mail or at the counter without a court appearance, was approximately 15%. This determination was made by tracking the bail forfeitures on the Clerks Requisition for Distribution of Funds. The Citrus Municipal Court reasoned that the same percentage of defendants would similarly pay the civil assessment due to the court after having received proper notice. It appeared to me the reason the Citrus Municipal Court started this aggressive in-house program was to see if they could match or beat the collection rate of the collection agency with less effort and without telephone calls to the public.

Based on this information, the Citrus Municipal Court decided to perform an in-house collection program. The Citrus Municipal court In-House Collection Project was initiated in December 1992 for the collection of delinquent traffic citations, pursuant to Section 1214.1 Penal Code.

The Citrus Municipal Court utilized the personnel resources available through the deletion of the warrant of arrest process. The employee who was responsible for the "pull for warrant" assignment was repositioned to the "civil assessment" assignment.

The Court developed a notification letter (**Figure 9**) which the court mails to the defendant 10 days after their citation/case is past due. Citations/cases stay in collection status for 60 days. When the Citrus Municipal Court Civil Assessment Program began, the number of citations/cases paid was measured against the number of days that had elapsed since the notification letter was mailed.

By tracking the payments made to the court over a 90 day period, I observed that optimum results are achieved 60 days after the issuance of the collection letter (**Figure 10**). The Court monitors the number of



**CITRUS MUNICIPAL COURT
1427 WEST COVINA PARKWAY
WEST COVINA, CA 91790**

**December 29, 1993
CITATION NO. 1~
BALANCE DUE \$2~**

• 3~
• 4~
• 5~

DETACH AT PERFORATION AND RETAIN BOTTOM PORTION FOR YOUR RECORDS

NOTICE OF CIVIL ASSESSMENT OR WARRANT

If you have already paid or appeared on the following citation, PLEASE DISREGARD THIS NOTICE.

CITATION NO.	ACTION DATE	AMOUNT DUE
1~	December 29, 1993	2~

RECORDS OF THIS COURT REFLECT THAT YOU HAVE FAILED TO APPEAR AS PROMISED OR POST BAIL. YOUR FAILURE TO APPEAR HAS RESULTED IN A CIVIL ASSESSMENT FEE BEING ADDED TO YOUR UNPAID BAIL PURSUANT 1214.1 PENAL CODE.

IF YOU FAIL TO RESPOND WITHIN 10 DAYS FROM THE DATE OF THIS LETTER, THE AMOUNT DUE WHICH INCLUDES THE CIVIL ASSESSMENT FEE WILL BE RECORDED AS A JUDGMENT IN THIS COURT AND WILL BE REFERRED FOR COLLECTION.

IN AN EFFORT TO AVOID FURTHER COLLECTION ACTIVITY, OR ISSUANCE OF A WARRANT, REMIT THE BALANCE DUE IN THE ENVELOPE PROVIDED. PLEASE INCLUDE THE TOP PORTION OF THIS LETTER TO ASSURE PROPER CREDIT OF YOUR PAYMENT.

Office hours are 8 a.m. to 4:30 p.m. If a court appearance is necessary, you must appear in the clerk's office at 8 a.m. Monday through Friday, except Saturday, Sunday and holidays.

There is a return check charge of \$12.00. In addition, a return check may cause a warrant to be issued for your arrest.



**CITRUS MUNICIPAL COURT
1427 WEST COVINA PARKWAY
WEST COVINA, CA 91790**

**February 6, 1995
CITATION NO. 1~
BALANCE DUE \$2~**

• 3~
• 4~
• 5~

DETACH AT PERFORATION AND RETAIN BOTTOM PORTION FOR YOUR RECORDS

FINAL NOTICE OF CIVIL ASSESSMENT/JUDGMENT

If you have already paid the following citation, PLEASE DISREGARD THIS NOTICE.

CITATION NO.	ACTION DATE	AMOUNT DUE
1~	February 6, 1995	\$2~

RECORDS OF THIS COURT REFLECT THAT YOU HAVE FAILED TO PAY THE CIVIL ASSESSMENT PURSUANT TO 1214.1 OF THE PENAL CODE, AS ORDERED BY THE COURT. YOUR FAILURE TO PAY MAY RESULT IN FUTHER ACTION BEING TAKEN.

IF YOU FAIL TO RESPOND WITHIN 10 DAYS FROM THE DATE OF THIS LETTER, THE AMOUNT DUE WHICH INCLUDES THE CIVIL ASSESSMENT FEE MAY BE RECORDED AS A JUDGMENT IN THIS COURT AND MAY BE REFERRED FOR COLLECTION.

IN AN EFFORT TO AVOID A CIVIL JUDGMENT AND FURTHER COLLECTION ACTIVITY, REMIT THE BALANCE DUE IN THE ENVELOPE PROVIDED. PLEASE INCLUDE THE TOP PORTION OF THIS LETTER TO ASSURE PROPER CREDIT OF YOUR PAYMENT.

Office hours are 8 a.m. to 4:30 p.m. If a court appearance is necessary, you must appear in the clerk's office at 8 a.m. Monday through Friday, except Saturday, Sunday and holidays.

There is a return check charge of \$15.00. In addition, a return check may cause a warrant to be issued for your arrest.

tickets referred for civil assessment, the number of those referred that are returned undelivered, the total dollars collected and of those dollars the total dollars that are civil assessment and therefore county general fund (Figure 11).

The following procedures relate to the Citrus Judicial District Collection program pursuant to 1214.1 P.C.

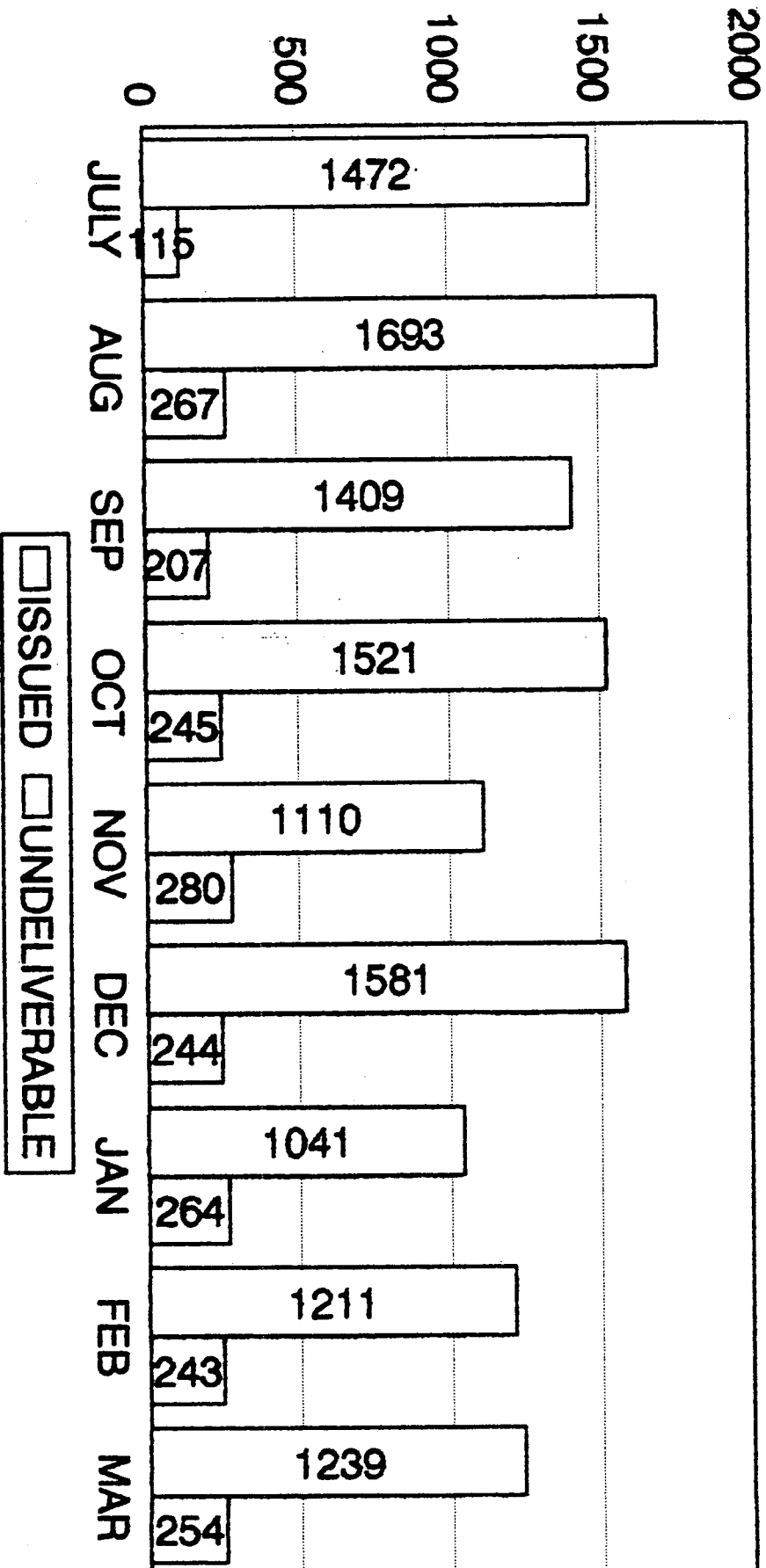
I. Pull for Collection Letters

- A. Citations are pulled from the "Pull for warrant list" (Figure 12) by the collection clerk in the traffic department every tuesday.
- B. The clerk pulls citations with the status code of 00, 01, and 02. The status code refers to the number of weeks a citation is on the pull for warrant list, 00 is the first time a citation appears on the list. All citations are processed no later than the second week. The clerk does not pull citations that already have the 1214.1 P.C. added.
- C. The clerk updates all citations on the citation screen (PF4) (Figure 13) "1214.1/21" (/21 defines 1214.1 as a misdemeanor) and moves all remaining violations to the next field. (Lesser Charge is dropped if necessary.)

CITRUS MUNICIPAL COURT

CIVIL ASSESSMENTS

JULY 1994 - MARCH 1995



12,277 NOTICES ISSUED 2,119 NOTICES UNDELIVERABLE

Figure 11C

CITATION NUMBER	FILE NUMBER	ISSUE DATE	APPEAR DATE	DEFENDANT NAME	VIOLATION - CODES			WEEKS ON LIST
IR87962	1934	95047A027	07/03/94	03/13/95	VASQUEZ FRANCISCO J	40508B	29 23116A 29 12500A	29 01
G246445	1926	95047C006	01/09/95	03/21/95	WINKLER RON A	24951B	29 273150	29 00
AM03710	1999	95048C007	02/02/95	03/21/95	VILLASENOR STACY D	216555	29 26708A 29 5200	29 00
J632708	1900	950480002	02/07/95	03/20/95	CALDWELL MARTIN I	21755	29	29 00
AZ248182	1905	950480013	02/03/95	03/24/95	LAFARGA JORGE L	21755	29	29 00
AZ249019	1905	950480018	02/05/95	03/21/95	ORTIZ MANUEL D	27153	29 5204A 29	29 00
AZ249874	1905	950480023	02/04/95	03/24/95	ORTIZ JOSEPHINE	21657	29	29 00
AZ250171	1905	950480032	02/01/95	03/24/95	TORRES DANNY	21453B	29 12500A 29	29 00
AZ250172	1905	950480033	02/01/95	03/24/95	HIGGINS PATRICK C	22350	29 4000A 29 12500A	29 00
AZ250173	1905	950480034	02/01/95	03/24/95	LANDEROS CLAUDIA	4000A	29	29 00
AZ250219	1905	950480036	02/03/95	03/24/95	WALLING DONALD R	21453A	29	29 00
AZ250920	1905	950480042	01/31/95	03/24/95	LUNA JULIO G	27153	29	29 00
AZ251012	1905	950480046	01/29/95	03/24/95	HOULE CHRISTOPHER A	27315D	29 23222 29	29 00
IR88993	1934	950480112	01/31/95	03/14/95	HOLEMAN RICHARD E	12141	21 12500A 29	29 01
IR89434	1934	950480122	02/09/95	03/23/95	PINEDA JUAN	12500A	29	29 00
IR89638	1934	950480125	01/31/95	03/13/95	DELGADO JEANETTE	27315D	29 12500A 29	29 01
IR89801	1934	950480136	02/09/95	03/23/95	YELA FERNANDO	21651A	29	29 00
IR89802	1934	950480137	02/09/95	03/23/95	MORALES CARLOS E	4000A	29	29 00
AT81980	1999	950480179	02/07/95	03/21/95	TSENG RICHARD	27315D	29 4000A 29 4454A	29 00
AL91456	1999	95052A082	10/25/94	03/08/95	CENICEROS MARIA D	40508A	29 12141 21 22349	29 02
AL92722	1999	950520001	02/09/95	03/23/95	WEST COAST LANDCLEARING OR	24002B	29 26453 29	29 00
AL97101	1999	950520005	02/10/95	03/21/95	BURGOS HERMAN E	4000A	29 26708A 29	29 00
AL97109	1999	950520006	02/13/95	03/21/95	MADERA SANDRA E	4000A	29 26708A 29	29 00
AL97116	1999	950520011	02/13/95	03/21/95	COGBURN GARY D	4000A	29	29 00
AM03076	1999	950520079	02/10/95	03/24/95	DEJESUS DIEGO A	22350	29	29 00
AM03079	1999	950520082	02/10/95	03/24/95	CCBOS JOSE L	22350	29 27315D 29	29 00

Figure 12

EXPANDED TRAFFIC RECORD SYSTEM
CITATION ADD/CHANGE

OPERATOR CODE

CITATION #	LEA	VIOLATION DATE		
NAME-FIRST	MIDDLE	LAST	SUFFIX	
ADDR		CITY	ST	
OLN	OLN ST	DOB	VLN	VLN ST
APPEAR DATE	VIOLATIONS			
VIOL CITY	SPEED APPROX	SPEED PF/MAX	OVERLOAD	COMHAZ FL
RF FL T/S AMT				
BAIL	BASE	PA	NC	WA SB P/C/WA

PF1-NAME	PF2-OLND	PF3-NMBR	PF4-CITN	PF5-DMVM	PF6-BFOR	
PF7-DSP0	PF8-WRNT	PF9-CONT	PF10-CCAL	PF11-TMEN	PF12-ACME	* CITN *

- D. Citations are printed on the number Screen (PF3) (Figure 14).
- E. Collections letters are processed on a personal computer using the mail merge function.
- F. A copy of the collection letter is attached to the original citation and filed by the clerk.

II. Extension Date

- A. The clerk updates all citations on the continuance screen (PF9) (Figure 15) with a six week extension date. Extension date is calculated from the date of the collection letter.
- B. Citations are updated with the following:
 - Action Code: Enter "EX" for extension.
 - Action Date: Enter six week extension date.
 - Case #: Enter "Collect" to indicate collection.
- C. These cases are filed in the warrant drawers in the traffic division.

III. Payment Period

- A. Cases stay in collection status for 60 days, which encompasses the six week extension date plus an additional two week grace period. (This is court information only.)

EXPANDED TRAFFIC RECORD SYSTEM - NUMBER RESPONSE

CIT/CASE NAME ADDRESS	LEA/COURT	ABSTRACT	ID# OLN	VLN OLN ST	DOB	T/S
VIO-DATE	APR-DATE	ENT-DATE	VIOL 1	VIOL 2	VIOL 3	VIOL 4
						SPEED
CPT NO.		\$	\$	\$	\$	
PR CNT	PP	FINE	W/O PROOF	T/S	AMT	COMHAZ
ST	DSP	DATE	AMT	JUD	DUE	RF
BAIL		BASE	PA	NC	WA	SB
						P/C/WA

PF1-NAME	PF2-OLND	PF3-NMBR	PF4-CITN	PF5-DMVM	PF6-BFOR
PF7-DSPO	PF8-WRNT	PF9-CONT	PF10-CCAL	PF11-TMEN	PF12-ACME

* NMBR *

EXPANDED TRAFFIC RECORD SYSTEM
CONTINUANCE / CALENDAR ADD/CHANGE

OPERATOR CODE

CIT/CASE

LEA/COURT

CHG/DLET/PART

T/S

T/S AMT

NAME
ADDR

DOB
OLN

ST

BAIL W/O PROOF
BAIL

BASE

BALANCE DUE
PA

NC

WA

SB

P/C/WA

ACTION CODE
VIOLATIONS
AMT PAID

ACTION DATE

CASE #

RECEIPT NUMBER

PD DATE

ABSTRACT
PART PAY

DIVISION

TIME

TYPE OF BAIL

CALENDAR

TD #

WITNESS INFO

BOND #

IF DEFENDANT ARRESTED AS A RESULT OF A WARRANT ENTER 'X' HERE

PF1-NAME
PF7-DSPO

PF2-OLND
PF8-WRNT

PF3-NMBR
PF9-CONT

PF4-CITN
PF10-CCAL

PF5-DMVM
PF11-TMEN

PF6-BFOR
PF12-ACME

* CONT *

Figure 15

- B. If the defendant does not pay within the six week extension period, the citation will reappear on the "pull for warrant list." A "G" Hold is then issued with the DMV which prevents the defendant from renewing his drivers license until the account is paid.
- C. If the defendant appears in court and a fine is assessed on the original charges, and the fine is not paid, a "H" Hold is issued with the DMV which prevents the defendant from renewing his drivers license until the account is paid.
- D. If the defendant pays the full amount of the case (which includes the original fine/bail and the \$250 civil assessment) and there is no court appearance, the case is closed out as a bail forfeiture.
- E. The 1214.1 P.C. is not abstracted or reported to D.M.V.

IV. Cashiering

- A. When ringing money on a case where a civil assessment has been imposed in addition to the original bail/fine, the clerk rings the money and distributes the original bail/fine as they normally would and rings the \$250 on a separate civil assessment key.

Under the Court's methodology the Citrus Municipal Court's Civil Assessment Program generated a total of \$3,699,511 in revenue from November 1992 through November 1994 resulting in a 16.87% collection rate at a cost of \$55,000 per year against the Citrus Municipal Court's Operational Budget. Of the \$3,699,511 collected, \$1,520,479 is a result of the civil assessment collection program and goes directly as revenue into the County General Fund. During the same time period, November 1992 through November 1994, GC Services collected for their contract courts revenue totaling \$25,654,599 a collection rate of 16.49% at a cost of \$7,619,644 which was the GC Services Commission. Of the \$25,654,599 collected, \$7,409,477 is a result of the civil assessment collection program and goes directly as revenue in to the County General Fund (Figure 16).

I averaged out GC Services collections for the 20 courts it serves and determined that the average collected per court for the same time frame, November 1992 to November 1994, was \$1,282,730 at an average cost of \$380,970 per contract court for GC Services commission. The average civil assessment of \$370,708 per contract court went directly as revenue in to the County General Fund. While during the same period, Citrus total remained at \$3,699,511 of which

CITRUS MUNICIPAL COURT

REVENUE DISTRIBUTION

NOVEMBER 1992 - NOVEMBER 1994

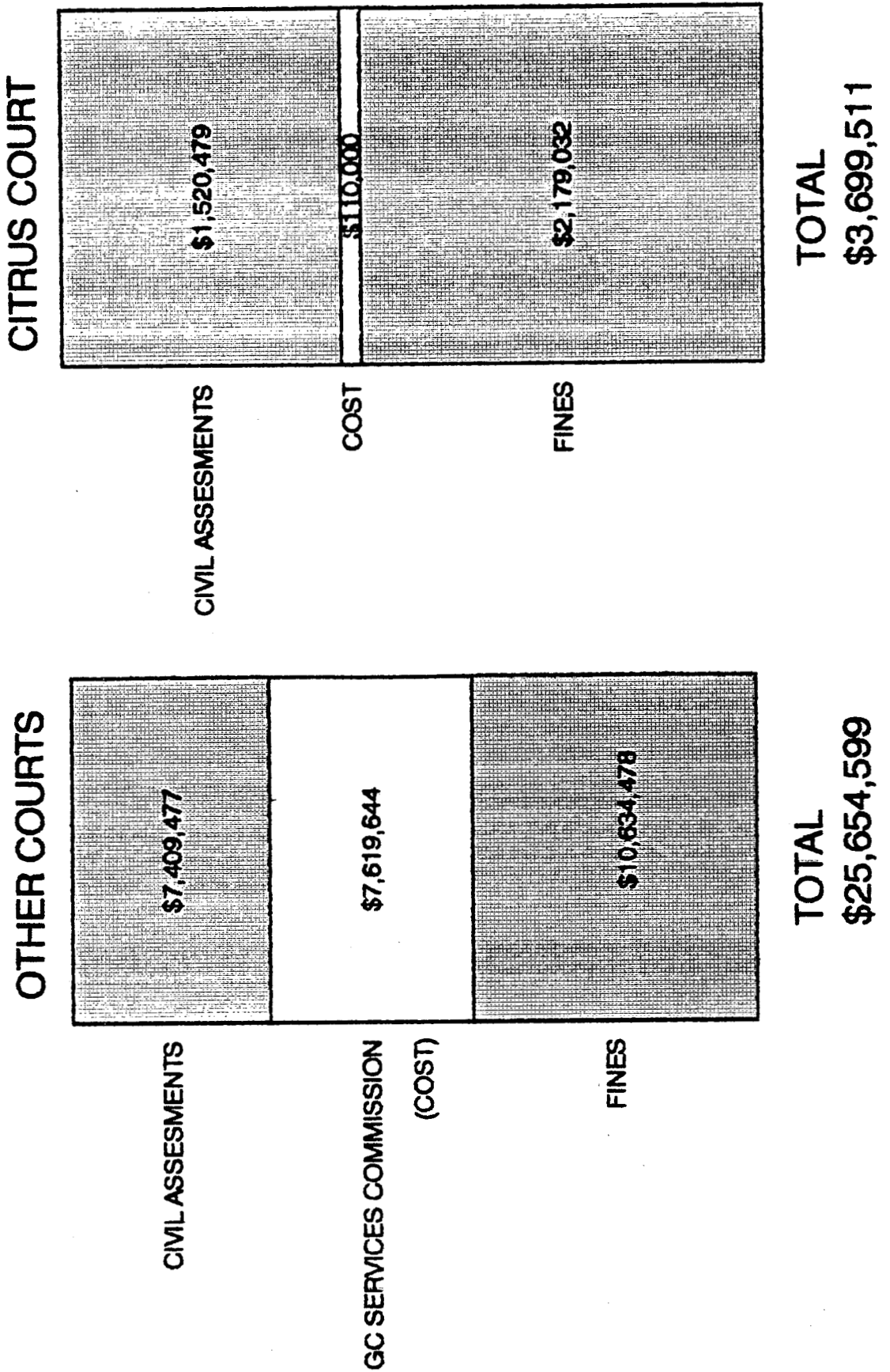


Figure 16A

CITRUS MUNICIPAL COURT

REVENUE DISTRIBUTION

NOVEMBER 1992 - NOVEMBER 1994

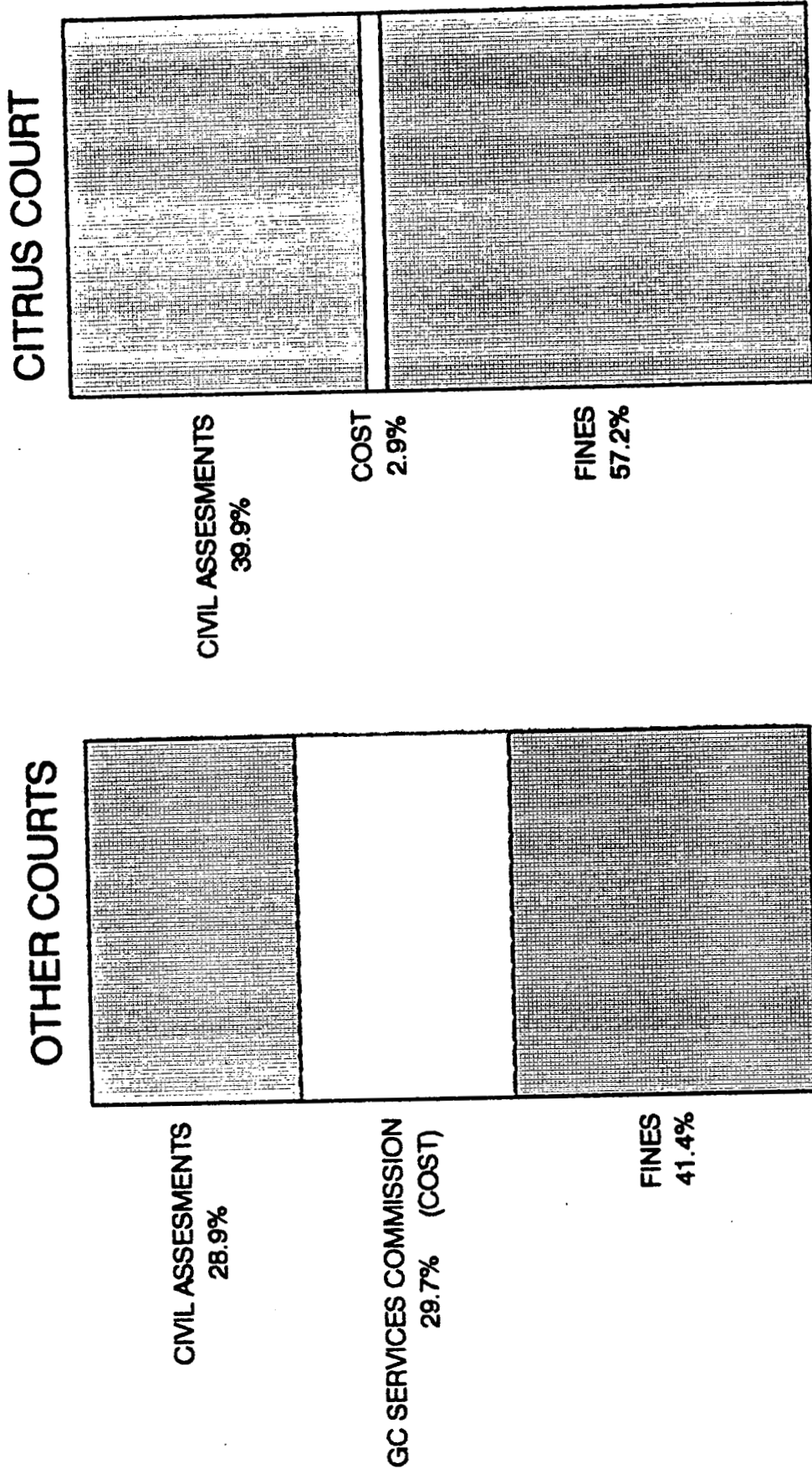


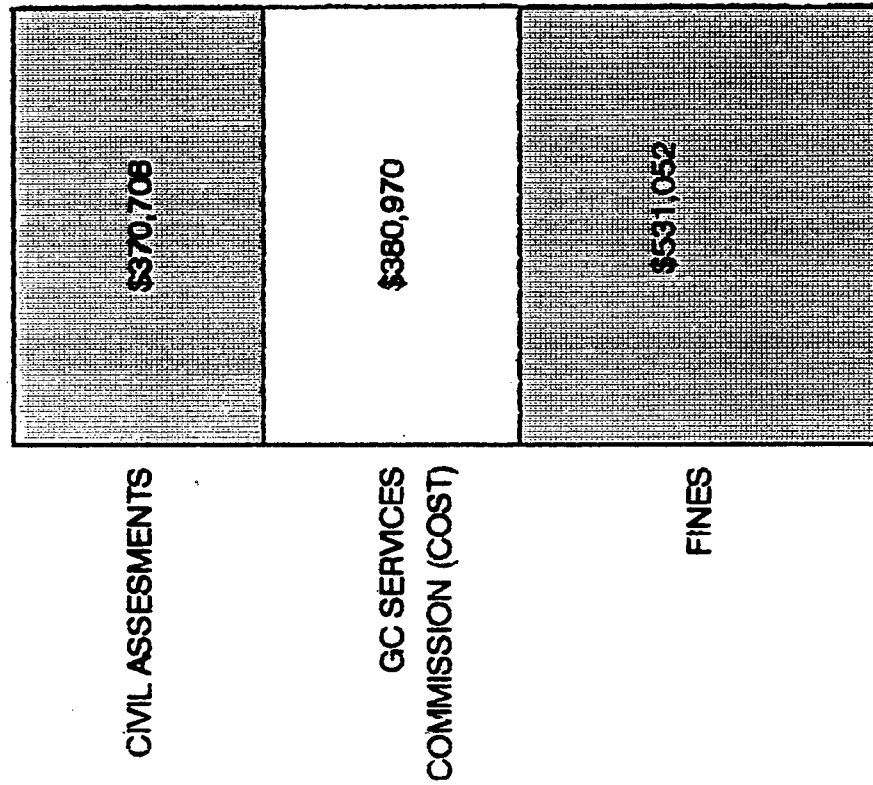
Figure 16B

CITRUS MUNICIPAL COURT

REVENUE DISTRIBUTION

NOVEMBER 1992 - NOVEMBER 1994

GC SERVICES COURTS' AVERAGE



CITRUS COURT

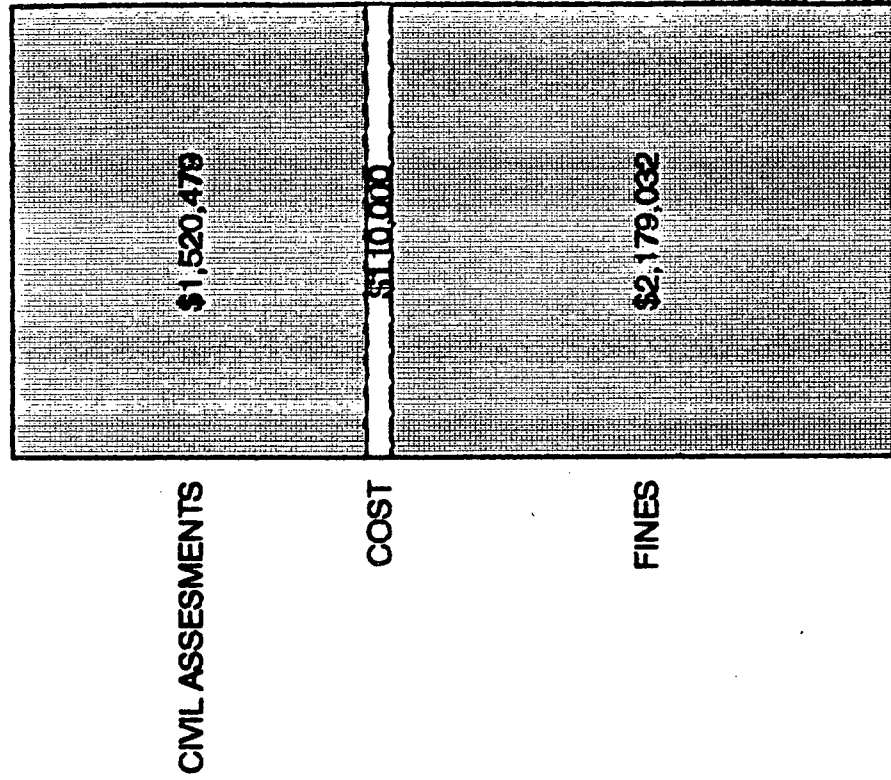


Figure 16C

\$1,520,479 at a 24 month cost of \$110,000. I determined that based on these figures, it cost Citrus Municipal Court \$.03 for every dollar collected and it cost the County of Los Angeles \$.29 for every dollar collected by GC Services.

I know, however, that if all the contract courts had used Citrus Municipal Court's method to collect the \$25,654,599, the cost would have been to the courts \$743,983. This would be \$6,665,494 less than it cost using GC Services and this \$6,665,494 would have gone directly as revenue in to the County General Fund.

At its meeting held April 5, 1994, on motion of Supervisor Michael D. Antonovich, the Los Angeles County Board of Supervisors commended the Citrus Municipal Court for its commitment to an efficient collections operation through its aggressive Enhanced Revenue Program for civil assessments.

LOS ANGELES MUNICIPAL COURT COLLECTION PROGRAM

The Los Angeles Municipal Court has contracted with Lockheed IMS for collections as a pilot project. The project is based

on a contract which began in September of 1991 for the collection of parking citations. This previously established contract for parking was expanded for the collection of civil assessments in 1993.

The plans for the Lockheed IMS civil assessment program began in February, 1993. Since the program started sending notices on March 22, 1994 through November 1994, a total of \$4,489,274 was referred to Lockheed for collections. Revenues totalling \$558,254 were received, resulting in a collection rate of 12%. These results are still considered initial because some of the accounts referred to Lockheed IMS for collection tend to require an increased collection effort. Accounts for the collection of attorney fees, restitution, non-sufficient fund check recovery and misdemeanor fines usually require more than a notice of payment due. They require follow-up phone calls and financial investigation due in part because of defendants indigent status and due in part to defendants natural unwillingness to pay misdemeanor fines and costs.

In addition to civil assessments, the Los Angeles Municipal Court referred to Lockheed after internal collection efforts were exhausted, delinquent traffic citations in both the amnesty (cases with warrants issued prior to April 1, 1991) and non-amnesty (cases with warrants issued April 1, 1991 and after) categories, delinquent parking, indigent defense recovery and non-sufficient fund check recovery. The collection rate for these accounts varied from 1 % to 10%, depending upon the age and difficulty of the accounts.

The Lockheed pilot includes collections under civil assessments Penal Code Section 1214.1, Penal Code Section 987.8, (payment for appointed counsel), Vehicle Code Section 40508(a)(b) assessments, Government Code Section 6103.5, (recovered filings) and Government Code Section 68511.3, (proceeding without payment of cost) and recovery of non-sufficient fund checks for payment of civil fees.

SUPERIOR COURT OF LOS ANGELES COUNTY:

Historically, the Superior Court has contracted with the

Treasurer-Tax Collector of Los Angeles County and the Probation Department of Los Angeles County for indigent defense and child enforcement collections. The Superior Court is currently in the process of developing several in-house collection programs to determine if internal efforts are more cost effective than methods previously used. The initial results in the area of Child Custody Evaluations have shown the potential for increased revenue. The Los Angeles County Superior Court is focusing on improving and expanding in-house collection programs.

RESULTS OF JUDICIAL COUNCIL OF CALIFORNIA PRELIMINARY COLLECTIONS SURVEY

In July 1994, a survey was conducted by the Judicial Council of California regarding court collections (**Figure 17**). The survey was developed in response to a proposal that would remove the collection enhancement function from the functional budget categories supported by state funding. The need to ensure overall compliance with court orders, as opposed to strictly revenue collection was the focus of the survey. Judicial Council legislative

COURT COLLECTION SURVEY

JULY 1994

1. Court name: _____ Court I.D. _____ County _____

2. Does your court operate some form of collection program? ____ Yes ____ No If yes, please complete this survey. If no, please return survey uncompleted.

3. Please provide a general description of your court's collection program.

4. Listed below are key components of a collection program. Please check the appropriate boxes to indicate which components apply to your program(s).

Component	Traffic FTA	Traffic FTP	Criminal FTP	Other _____
a. Send courtesy notices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Send delinquent notices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Issue DMV holds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Issue warrants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Use PC 1214.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Use PC 1463.007	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Types of Cases (In the boxes below, please indicate the types of cases in which your court attempts collection.)

g. Newly delinquent accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Backlog cases (60 days-5 years)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Means of Collection

1. Collection agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. County-run collection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Court personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COURT COLLECTION SURVEY

Page 2

5. Does your court follow up and monitor compliance on the following programs in conjunction with your collections program (check all that apply):

- | | | | | | |
|-----------------------|--------------------------|-------------------------|--------------------------|----------------------------|--------------------------|
| a. work release | <input type="checkbox"/> | d. victim's restitution | <input type="checkbox"/> | g. work furlough | <input type="checkbox"/> |
| b. treatment programs | <input type="checkbox"/> | e. public defender fees | <input type="checkbox"/> | h. electronic surveillance | <input type="checkbox"/> |
| c. community service | <input type="checkbox"/> | f. interlock device | <input type="checkbox"/> | | |

6. Installment Accounts

- a. Does your court allow installment accounts? ☐ Yes ☐ No
- b. Does your court monitor these accounts and contact defendant (either by mail or phone) if late? ☐ Yes ☐ No ☐ N/A
- c. Does your court collect credit data from defendants who are authorized time payments? ☐ Yes ☐ No ☐ N/A

7. Program Data

- a. This court maintains data on its collection program. ☐ Yes ☐ No If yes, please provide the following information.

RESULTS DATA

	a	b	c	d	e	f
Year	cases sent to collections	Dollar value of cases sent to collections	# of cases disposed by program	finer, fees and forfeiture collected (in \$) *	civil assessment collected (in \$)	collection rate %
1993-94 actual						
1994-95 estimated						

BUDGET DATA

	g	h	i	j
Year	Court costs	County charge-backs	Private contract costs	Total costs
1993-94 actual				
1994-95 estimated				

INVENTORY DATA

	k	l	m	n
Year	Beginning inventory (i.e. 7-1-93 and 7-1-94)	cases added to inventory during fiscal year	# of cases disposed of (from "c" above)	Ending Inventory (k + l - m)
1993-94 actual				
1994-95 estimated				

Approximately what % of box "d" is distributed to the state? ____ %
 Include any collections that do not go to civil assessment.

Contact person: _____ Telephone: _____

staff believe that if 100% of the fine money are returned to counties, the counties will have the incentive to collect court fines.

The major conclusions drawn from the initial survey are as follows:

- * Of those Courts responding to the survey, collections efforts are relatively new. About 60% of the responding courts had collection programs that did not start until after January 1, 1993.

- * It is projected that the number of cases sent to collections in 1994-95 will increase from those sent in 1993-94 by approximately 28% but that costs for the collections programs will decrease by 2% during that same time period as the programs become more efficient and effective.

- * In 1993-94 it cost the responding courts \$0.22 for every \$1.00 collected.

- * Only about 20% of courts with collection programs use court staff exclusively for that function. Collection agencies are the most popular choice (58%) for collections, whereas county-run collection departments are used by about 21% of the courts.

- * All courts with a collection program attempt collections on accounts as they become delinquent; 89% of the courts go after

both new cases and backlog cases.

- * Almost all courts with a collection program allow installment accounts.

- * In just the 28 courts that provided data, over \$245 million worth of cases were sent to collections in fiscal year 1993-94, and \$53 million was collected.

- * 45% of the cases sent to collections in fiscal year 1993-94 have been disposed of, with 21% of the total dollar amount owed being collected.

Under new Penal Code 1463.007 (**Appendix 6**), a county or court may implement a comprehensive program to identify and collect fines and forfeitures which have not been paid after 60 days from the date on which they were due, which are not being paid through time payments, and for which the base fine excluding state and county penalties is at least \$100. The county or court may deduct the cost of operating the program from any revenues collected through the program prior to making any distribution of revenues to other governmental entities and deposit that amount in

the county treasury. This section also defines a "comprehensive collection program" and lists 14 permissible program components, 10 of which must be incorporated into the program. New Penal Code 1463.007 includes a "sunset" provision repealing the statute on June 30, 1997. AB 2409 (Isenberg); Chapter 1199.

RECOMMENDATIONS AND CONCLUSIONS

I think the Civil Assessment Programs have been cost effective to the County and have increased the public's compliance with court orders and failures to appear. As the public becomes increasingly familiar with and aware of the courts' referrals to collection programs, whether outside agencies, in-house or Franchise Tax Board in lieu of the warrant issuance process, I anticipate a significant reduction in defendants ignoring their payment of citations or the courts' orders.

It is clear to me that without a Civil Assessment Program in effect to help offset decreased funding and rising operating costs, a Court would be unable to provide the public with anything beyond the minimum service required and quite possibly a reduction of services.

I recommend that the Invitation for Bid (IFB), which has been developed to provide the courts the flexibility to contract for

collection services and decide to what extent a service is needed, be used as a basis for courts to develop a list of vendors who may be used to enhance their revenue collection programs. The court contracting for service may select a lowest bid vendor to handle their entire collection effort or they may select a lowest bid vendor for a specific phase of their program i.e., tax intercept or wage garnishments. The IFB takes into consideration the level of effort by the vendors and verified collection rates.

I think the courts should refer cases to the approved lowest bid vendors under contract, only after they have exhausted all reasonable internal collection activities and/or determined that it is more cost effective to have a lowest bid vendor do their collections.

I recommend that a court who is unable or unwilling to do an in-house collection program, employ the services of a GC Services type agency for the following reasons. As there is no direct cost to the court, although there is a reduction in potential revenue and additional staff and computers are supplied to the court at no cost

to the court.

If however, a program like GC Services is used, I think it must be altered so that all the money collected goes directly to the courts and the court then pay GC Services their commission. This practice would allow the Courts to have control over the monies collected sooner and to receive the interest on the monies.

The other programs in effect to enhance collections, i.e., Amnesty, Civil Process and Department of Motor Vehicle Holds all have, I think, a place in any enhanced revenue collection program but only in addition to the in-house collection effort as exemplified by Citrus Municipal Court.

The Franchise Tax Board Program could be a viable program as a follow-up to a court's in-house program. Once the court has exhausted its collection efforts, any monies the FTB can bring in through their expertise is money the courts would probably never have been able to collect.

I think that the unique approaches displayed by specific jurisdictions to address the issue of collection/revenue enhancement demonstrate the courts enthusiasm in enhancing revenue collections to offset the decreases everywhere.

I determined that the timing for referring accounts as well as the type of accounts referred is critical in optimizing compliance and collections with 60 days as the optimum time.

I have determined that the Los Angeles County Courts in-house or outsource pilot programs for collections proved to be beneficial to court operations and have markedly enhanced county revenue.

I think the public knows that local police agencies do not have the time or manpower to make arrests on traffic warrants and that even if they did, the sheriff, due to Federal Court mandated limits on prison population, cannot house those arrested defendants in their jail system.

I believe that from the Los Angeles County's point of view, Citrus Municipal Court's Civil Assessment program rates extremely successful, it not outstanding, as it does not use a collection agency and achieves approximately the same collection rate as a collection agency, thereby giving the County 26% more revenue than the courts using GC Services. I found the other courts do not have an incentive nor do they think it is cost effective to use Citrus Municipal Courts program because it would come out of their operating budget and only benefit the County.

It would be my recommendation to the County to form a partnership with the Courts to share the civil assessment revenue collected through a collection program. But if the County did not want to share the civil assessment revenue then they should at least share the commission they would save if a court performs an in-house collection program. The County share of revenue would still exceed what they would have received using an outside collection agency, due to the cost of commission, and the Court's would have an incentive to bear the burden and expense of operating an in-

house program.

In my opinion, the Citrus Municipal Court Civil Assessment Program methodology is superior to other Judicial Districts collection programs and I recommend other courts duplicate and adopt a similar program within their courts. I believe only an in-house program like Citrus Municipal Courts, will reap the most benefits available.

1214.1 Civil Assessments for Nonappearance in Criminal Cases.

(a) In addition to any other penalty in criminal cases, the court may impose a civil assessment of up to two hundred fifty dollars (\$250) against any defendant who fails, after notice, and without good cause to appear in court for any proceeding authorized by law.

(b) The assessment shall not become effective until at least 10 calendar days after the court mails a warning notice to the defendant by first-class mail to the address shown on the notice to appear or to the defendant's last known address. If the defendant appears within the time specified in the notice and shows good cause for the failure to appear, the court shall vacate the assessment.

(c) If an assessment is imposed under this section, no bench warrant or warrant of arrest shall be issued with respect to the failure to appear at the proceeding for which the assessment is imposed.

(d) The assessment imposed under subdivision (a) shall be subject to the due process requirements governing defense and collection of civil money judgments generally. **Leg.H. 1985 ch. 979**

Penal Code 1205 Fine and Imprisonment Until Paid

(b) Except as otherwise provided in case of fines imposed as conditions of probation, the defendant shall pay the fine to the clerk of the court, or to the judge thereof if there is no clerk, unless the defendant is taken into custody for non payment of the fine, in which event payments made while he or she is in custody shall be made to the officer who holds him or her in custody and all amounts so paid shall be forthwith paid over by the officer to the court which rendered the judgment. The clerk shall report to the court every default in payment of a fine or any part thereof, or if there is no clerk, the court shall take notice of the default. If time has been given for payment of a fine or it has been made payable in installments, the court shall, upon any default in payment, immediately order the arrest of the defendant and order him or her to show cause why he or she should not be imprisoned until the fine or installment thereof, as the case may be, is satisfied in full. If the fine, or installment, is payable forthwith and it is not so paid, the court shall without further proceedings, immediately commit the defendant to the custody of the proper officer to be held in custody until the fine or installment thereof, as the case may be is satisfied in full.

(c) This section applies to any violation of any of the codes or statutes of this state punishable by a fine or by a fine and imprisonment.

Nothing in this section shall be construed to prohibit the clerk of the court, or the judge thereof if there is no clerk, from turning these accounts over to another county department or a collecting agency for processing and collection.

Penal Code 1462.5 Proration of installments or Partial Payments of Fines, Penalties, Forfeitures, or Fees.

Each installment or partial payment of a fine, penalty, forfeiture or fee shall be prorated among the state and local shares according to the uniform accounting system established by the State Controller pursuant to Section 71380 of the Government Code. In cases subject to Section 1463.18 of the Penal Code, proration shall not occur until the minimum amounts have been transferred to the Restitution Fund as provided in that section. **Leg.H. 1984 ch. 980.**

Vehicle Code 40508. Violation of Promise to Appear or pay fine

(a) Any person willfully violating his or her written promise to appear or a lawfully granted continuance of his or her promise to appear in court or before a person authorized to receive a deposit of bail is guilty of a misdemeanor regardless of the disposition of the charge upon which he or she was originally arrested.

(b) Any person willfully failing to pay a lawfully imposed fine of a violation of any provision of this code or a local ordinance adopted pursuant to this code within the time authorized by the court and without lawful excuse having been presented to the court on or before the date the fine is due is guilty of a misdemeanor regardless of the full payment of the fine after such time.

Vehicle Code 40509 Notice to Department: Failure to Appear

(a) If any person has for a period of 15 or more days violated a written promise to appear or a lawfully granted continuance of his or her promise to appear in court or before the person authorized to receive a deposit of bail, or violated an order to appear in court, the magistrate or clerk of the court may give notice of the failure to appear to the department for any violation of this code, or any violation that can be heard by a juvenile traffic hearing referee pursuant to Section 256 of the Welfare and Institutions Code, or any violation of any other statute relating to the safe operation of a vehicle, except violations not required to be reported pursuant to paragraphs (1),(2),(3),(6),(7), and (8) of subdivision (b) of Section 1803. The notice shall be given within 60 days of the failure to appear. If thereafter the case in which the promise was given is adjudicated or the person who has violated the magistrate or clerk of the court hearing the case shall sign and file with the department a certificate to that effect.

Penal Code 853.7 Failure to Appear as Misdemeanor

Any person who willfully violates his or her written promise to appear or a lawfully granted continuance of his or her promise to appear in court is guilty of a misdemeanor, regardless of the disposition of the charge upon which he or she was originally arrested. Leg.H. 1959 ch. 1558, 1988 ch. 403

**MEMORANDUM OF UNDERSTANDING
REGARDING TERMS AND CONDITIONS OF COUNTY
PARTICIPATION IN
COURT ORDERED DEBT COLLECTION PROGRAM
(Chapter 1242, Stats. of 1994)**

THIS AGREEMENT, dated the _____ day of _____, 1995 is by and between the **CALIFORNIA FRANCHISE TAX BOARD (FTB)**, as an agency of the State of California, and the **COUNTY OF LOS ANGELES ("COUNTY")**. This agreement is entered pursuant to the authority of the Franchise Tax Board and the County as provided in Article 6 (commencing with section 19280) of Chapter 5 of Part 10.2 of, the Revenue and Taxation Code.

WHEREAS, Assembly Bill 3343 by Assembly Member Hannigan, a bill relating to crimes and victims, was enacted into statute as Chapter 1242 of the Statutes of 1994, providing the authority for the Franchise Tax Board to undertake the collection of certain court ordered debts owing to a county; and

WHEREAS, a primary purpose of the enactment was to empower counties to utilize the Franchise Tax Board's statewide resources and remedies to assist them in collecting certain unpaid court ordered fines, forfeitures and penalties; and

WHEREAS, the Franchise Tax Board supported enactment of this legislation, partly on the understanding that a purpose of the sponsors of the legislation was to try to develop additional funding for the Victim Restitution Fund through more consistent collection of court ordered fines, penalties and forfeitures; and

WHEREAS, the Legislature has declared that it is essential for fiscal purposes that this authorized program be expeditiously implemented. Sec. 19281, subd. (a) RTC; and

WHEREAS, the County of Los Angeles has expressed its desire to participate in this program; and

NOW THEREFORE, the Franchise Tax Board and the County of Los Angeles hereby agree for and in consideration of the mutual promises to perform respective duties as described by statute and on terms and conditions set forth herein, as follows:

Section 1. PURPOSE. The Franchise Tax Board collects personal income and corporate franchise and income taxes. For the Secretary of State, FTB collects penalties from corporations that fail to file their annual statement of officers. In

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addition, FTB collects court ordered amounts in arrears for child, spousal, and family support. Chapter 1242 of 1994 adds authority for the FTB to assist counties in collection of unpaid court ordered fines, forfeitures and penalties.

The Franchise Tax Board is a proven successful debt collector. Using this resource helps protect the state and county fisc, and benefits innocent victims of crime by enhancing the Victim's Restitution Fund.

The state has increasingly expected counties to implement effective revenue collection in part to fund state authorized programs. It is therefore in the mutual interest of the parties to use the available resources of the state and county governments to collect unpaid court ordered fines, forfeitures and penalties.

The parties to this agreement recognize the purposes of this program, and acknowledge the Legislature's finding that it is essential for fiscal purposes that this program be expeditiously implemented to achieve its mandate.

Section 2. TERM. This agreement shall become effective upon its execution and continue for the term of the program through December 31, 1997 or through an amended date agreed to by both parties.

Section 3. GENERAL AUTHORITY AND OPERATING PROVISIONS.

A. Amounts Subject to Referral. Any delinquent fine, state or local penalty, forfeiture, restitution fine, or restitution order, or combination thereof, ordered as a result of a criminal offense, including all offenses involving a violation of the Vehicle Code, except offenses relating to parking or registration of offenses by pedestrians or bicyclists, and imposed by a superior, municipal or justice court of the State of California upon a person or any entity, and which in aggregate total \$250 or more per such person or entity is eligible for referral by the county to the Franchise Tax Board for collection. (RTC sec. 19280, subd. (a); all statutory code section references hereafter are to the California Revenue and Taxation Code.)

B. Definition: Delinquent Amount. A court ordered fine, state or local penalty, forfeiture, restitution fine, or restitution order, or combination thereof, is delinquent for purposes of this program participation agreement no sooner than 90 days after payment of that amount first becomes delinquent. (Sec. 19280, subd. (a).)

C. Interest Includible: The amount referred by a county for collection may include any interest thereon which accrued prior to the date of referral. (Sec. 19280, subd. (c).)

D. Owing to the State of California: Any amount referred by a county

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shall be treated as final and due and payable to the State of California. (Sec. 19280, subd. (c).)

E. Collection Remedies: Amounts referred shall be collected from the obligor by the Franchise Tax Board in any manner authorized under the law for collection of a delinquent personal income tax liability, including, but not limited to, issuance of an order and levy in the same manner provided for earnings withholding orders for taxes. (Sec. 19280, subd. (c).)

Any enforcement remedies and capabilities available to the originating court from which the amount was referred shall be available to the Franchise Tax Board, and shall apply to amounts referred under this article in the same manner and with the same force and effect and to their full extent. (Sec. 19280, subd. (d) (2).)

F. Information to be Made Available: Any information provided to or secured by the Franchise Tax Board for purposes of administering to the personal income tax or bank and corporation franchise and income tax laws, and any information, information sources available to the originating court from which the amount was referred, including probation office information, may be used by the Franchise Tax Board in its collection process. (Secs. 19280, subd. (d) (2), and 19566 RTC.)

G. Reporting: The Franchise Tax Board shall report the results of the court imposed debt collection program to the Legislature on or before April 1, 1998. The county shall collect, prepare and report information to the Franchise Tax Board as requested throughout the program without compensation or claim for reimbursement. The Franchise Tax Board may make such information available to interested parties and agencies for review and comment. The Franchise Tax Board may disclose to the State Controller's office and the Board of Control, as administrator of the Victims of Crime Program, any data collected, including amounts by category of debt being referred for collection by the county. (Sec. 13, ch. 1242, stats. of 1994; and see section 7.)

H. Guidelines: The county agrees to abide by guidelines prescribed by the FTB establishing referral criteria for delinquent amounts due a court. (Sec. 19280, subd. (a).)

I. Definition of Account: Account, as used herein, is a delinquent amount owed by a person or other entity which has been referred by the county to the Franchise Tax Board for collection.

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Section 4. DISTRIBUTION OF RECOVERED AMOUNTS

A. Deposit in State Treasury: All amounts collected by FTB for amounts owing on delinquent court ordered debts shall be transmitted to the State Treasurer for deposit in a Court Collection Account in the General Fund. (Sec. 19282). Amounts collected pursuant to this program are amounts collected pursuant to a comprehensive collection program as provided in section 1463.007 of the Penal Code.

B. State Controller Distribution: The State Controller's office shall transfer amounts deposited in the Court Collection Account less an amount equal to the cost incurred by the Franchise Tax Board the administration cost of the program, but such amount shall not exceed the lesser of nine percent (9%) or the maximum percentage otherwise authorized by section 19282, subdivision (b).

After payment of the cost of administration, amounts shall be transferred either to the referring county or referring state agency to which the amount due was originally owing, or as otherwise directed by contractual agreement. The State Controller's office shall make transfers at least once each month. This agreement makes no provision for any such other direction of amounts recovered. This provision shall not be construed to preclude or affect any contractual agreement by the State Controller and the county regarding transfers, except as to the deduction for cost of administration. (Sec. 19282, subd. (a) and (b).)

C. Partial Recovery - Pro Rata Distribution: Subject to statutory priorities as described in item D, if an amount collected is not sufficient to satisfy the total amount of the account, then the amount collected shall be distributed on a pro rata basis as provided in section 19282, subdivisions (a) and (d). Pro rata distribution means: distribution based on a percentage equal to the face value of each included amount subject to referral divided by the total balance of the account.

D. Multiple Debts of a Single Obligor: In the event a debtor has more than one debt being collected by FTB and the amount collected is insufficient to satisfy the total amount owing, the amount collected shall be applied in the following priority (Sec. 19532):

1. Payment of any taxes, additions to tax, penalties, fees, or other amount due to FTB pursuant to the personal income tax or bank and corporation franchise or income taxes.

2. Payment of debts referred by counties for collection for

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delinquencies owing for child, spousal or family support.

3. Payment of delinquent wages owed the state Department of Industrial Relations.

4. Payment of delinquencies collected under the state Department of Motor Vehicles delinquent registration program.

5. Payment of amounts referred by counties for collection for delinquencies in payment of court ordered debt.

6. Payment of delinquent penalties owed the state Department of Industrial Relations.

7. Payment of delinquent fees owed the state Department of Industrial Relations.

E. Debts Collected and Credited in Error: Counties that receive payment from the State Controller's office on accounts either collected in error, or on amounts written on checking accounts with insufficient funds, shall owe a credit to the Court Collection Account in the state's General Fund equal to the amount they received. In such an instance, FTB shall refund its cost of collection.

F. Amounts Referred Are Owing: The county represents, and FTB receives amounts for collection on the understanding, that each amount referred is due and payable from the debtor. The county warrants that any issues raised regarding the validity of the amount referred existing prior to referral were resolved by the county prior to referral. The county shall hold harmless the State of California and the Franchise Tax Board, and shall indemnify them for any costs or liability imposed regarding collection activity undertaken on amounts referred not so described.

Section 5. ADMINISTRATIVE REQUIREMENTS

A. Payments Deemed FTB Collections: After the date an account is referred by the county to FTB for collection, any and all payment on the account, regardless of where or by whom payment is made, shall be deemed debt collected by FTB pursuant to the court ordered debt collection program, except payments collected through the Personal Income Tax refund intercept program, payments collected through liens filed by the county prior to referral to FTB, and payments which the

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county can show did not result from any FTB collection activity. The FTB determination of such matters shall be conclusive and final.

B. Two Year Collection Cycle: The FTB may work an account for up to two years after referral from the county. The county and FTB may agree to a different period on a case by case basis.

C. County Collection Activity Suspended: An account referred to FTB for collection shall not be actively pursued for collection by the county or referred by the county to any other agency or contractor for collection action.

D. County to Resolve Disputes with Obligor: An account referred to FTB is deemed due and payable in full. (See section 4, item F, above.) Questions or disputes raised by an obligor with FTB regarding the accuracy of the amount, or whether the amount is owing, will be referred to the county. FTB collection activity may, in FTB's sole discretion, be suspended pending resolution of the issue.

E. County Payment Plan on Account: Accounts referred to FTB that are subject to preexisting delinquent payment arrangements shall be subject to FTB collection action as though the entire amount is due in full, unless otherwise specified by the court order giving rise to the amount referred.

F. FTB Payment Plan Not to Exceed One-Year: The FTB may decide, in its sole discretion, to enter a periodic payment schedule with the obligor. The terms of an FTB periodic payment plan agreed to with an obligor shall not exceed one year.

G. FTB Weekly Report: The FTB shall provide the county with an account payment update schedule not less than once each week.

H. Return of Accounts: The FTB, in its sole discretion, may return any account which has been pursued for collection to the most practicable extent. A county also may request the return of accounts on a case by case basis. FTB shall receive cost of collection credit for amounts paid within one year of the return of an account, subject to the provisions of section 5, item A, above, relating to payments deemed FTB collections.

Section 6. TERMINATION OR WITHDRAWAL

A. The Program is Voluntary. County participation in the program is voluntary. Counties may elect to withdraw from the program by submitting in writing

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a statement of withdrawal to the Franchise Tax Board, Debt Collection Unit. FTB is entitled to the cost of collection credit for amounts collected on any and all accounts. For a period of six months following a county's withdrawal, the FTB may continue collection activity on any account. This agreement may be terminated by mutual agreement, or by the FTB pursuant to budget, fiscal or staffing considerations or by administrative directive.

Section 7. DATA REQUIREMENTS

A. Account Profile Elements: Account profile elements will be submitted to the FTB at the time of referral and updated periodically. The elements shall include the information as specified in Attachment A, in a format agreed to by the parties. The account profile information is to be used to manage the collection account.

B. Debt Referral Categories Profile Elements: The county shall include a profile of each category of debt submitted. The profile shall include the following:

1. Explanation of the type of offenses in each general category of offense that creates the obligation owing, and the applicable code section governing allocation of fines, forfeitures, and penalty for that category. For example, the categories of the Uniform Bail Schedule adopted by the Judicial Council or the Department of Justice crime reporting classifications.

2. Representative estimates of distribution by category of percentages allocated to various state and local agency or funds for each dollar collected on that category of account.

3. Average outstanding balance at time of referral for an account in each category.

4. Estimated percentage of accounts in each category for which a payment to the state Victim's Restitution Fund was originally owing, and an estimate average amount of such debt per account at time of referral.

C. Forms: Accounts will be submitted to the FTB in the form outlined in Attachment B, and in a format agreed to by the parties.

D. Monthly County Updates: New accounts may be submitted to the FTB monthly. Twice each month, on or before the 15th and last day of the month, the county will provide FTB with payment updates on accounts referred.

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Section 8. SPECIAL TERMS AND CONDITIONS.

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**Penal Code 1463.007 Comprehensive Collection Program
Deducting Cost of Operation; Annual Report to Legislature.**

Notwithstanding any other provision of law, any county or court that implements or has implemented a comprehensive program to identify and collect fines and forfeitures which have not been paid after 60 days from the date on which they were due and payable, with or without warrant having been issued against the alleged violator, which are not being paid through time payments and for which the base fine excluding state and county penalties is at least one hundred dollars (\$100), may deduct and deposit in the county treasury the cost of operating that program, **excluding capital expenditures**, from any revenues collected thereby prior to making any distribution of revenues to other governmental entities required by any other provision of law. For purposes of this section, a comprehensive collection program shall be a separate and distinct revenue collection activity and shall include at least 10 of the following components:

- (a) Monthly bill statements to all debtors.
- (b) Telephone contact with delinquent debtors to apprise them of their failure to meet payment obligations.
- (c) Issuance of warning letters to advise delinquent debtors of an outstanding obligation.
- (d) Requests for credit reports to assist in locating delinquent debtors.
- (e) Access to Employment Development Department employment and wage information.
- (f) The generation of monthly delinquent reports.
- (g) Participation in the Franchise Tax Board's tax intercept program.
- (h) The use of Department of Motor Vehicle information to locate delinquent debtors.
- (i) The use of wage and bank account garnishments.
- (j) The imposition of liens on real property and proceeds from the sale of real property held by a title company.
- (k) The filing of objections to the inclusion of outstanding fines and forfeitures in bankruptcy proceedings.
- (l) Coordination with the probation department to locate debtors who may be on formal or informal probation.
- (m) The initiation of drivers' license suspension actions where appropriate.
- (n) The capability to accept credit card payments.

*Removed at
author's request*



INVITATION FOR BIDS
TO PROVIDE
COLLECTION SERVICES
TO THE
SUPERIOR AND MUNICIPAL COURTS
IN LOS ANGELES COUNTY