Revenue Distribution Training Spring 2022

Presented by:
Judicial Council of California
California State Controller's Office

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Opening Remarks

Kathleen Webb, Chief Financial Officer,
California State Controller's Office

Zlatko Theodorovic, Deputy Director,
Judicial Council Budget Services

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Housekeeping

- http://www.courts.ca.gov/revenue-distribution.htm

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Introduction to Distributions

Interrelationships
&
Resources

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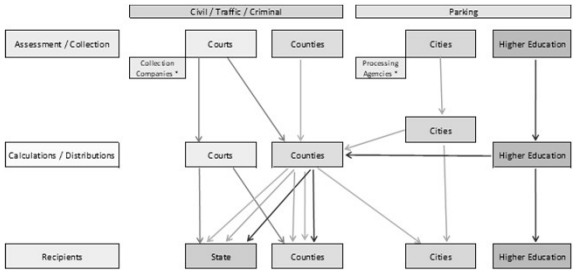
The Process…



* Entities under contract to perform collections

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Training Goals

- Provide updates on recent legislation
- Review changes to the Uniform Bail and Penalty Schedules
- Provide update on Ability to Pay Process and Backfill
- Provide collections related information and updates
- Review changes to Trial Court Revenue Distribution Guidelines (Revision 32)
- Provide an overview of audit findings related to distribution

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Training Agenda

- Introduction
- Legislative updates
- Uniform Bail and Penalty Schedules
- Franchise Tax Board Program Overview
- Collections updates
- Trial Court Revenue Distribution Guidelines
- Distribution Audit Issues

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[redacted]

DISTRIBUTION WORKSHEETS

LEGINFO

RESOURCES

FAQs

Breakout Sessions A, B, C, and D
Case studies/worksheets

PowerPoint Presentations

Resources & Links

CROSSWALK

Uniform Bail & Penalty Schedules

JCC, SCO and FTB staff

http://www.courts.ca.gov/revenue-distribution.htm

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Faculty

Judicial Council

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Subject Matter Experts

Merced Superior Court

Keri Brasil,
Chief Financial Officer

Ventura Superior Court

Richard Cabral,
Director Collections and Finance

Melanie Munoz,
Senior Manager, Collections

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Legislative Updates: 2021 and 2022

Mark Neuburger

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Updates on Recent Legislation

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Legislative Update: Spring 2022

Court Legislation 2021
- Published by Gov. Affairs
- Grouped by Topic
- Past Years Available

Relevant to Revenues
- New/Expanded Crime Index
- ID new crimes & potential assessments

Web link:
http://www.courts.ca.gov/4121.htm

Summary of Court-Related Legislation

JUDICIAL COUNCIL OF CALIFORNIA • GOVERNMENTAL AFFAIRS

DECEMBER 2021

During the first year of the 2021–2022 Legislative Session, the Legislature and Governor enacted numerous bills that affect the courts or are of general interest to the judicial branch. Brief descriptions of the measures of greatest interest follow, arranged according to subject matter. Also included is a table summarizing new laws that create new crimes or expand existing crimes, as well as an index listing all the bills and the page numbers on which their descriptions can be found.

The effective date of legislation is stated with each measure. Urgency and budget measures normally take effect immediately upon enactment, and some other measures have delayed operative dates.

This *Summary* is intended to serve only as a guide to identify bills of interest; the bill descriptions are not a complete statement of statutory changes. Code section references are to the sections most directly affected by the bill; not all sections are necessarily cited.

Until the annual pocket parts are issued, bill texts can be examined in their chaptered form in *West's California Legislative Service* or *California Deering's Advance Legislative Service*, where they are published by chapter number. In addition, chaptered bills and legislative committee analyses can be accessed on the internet at *http://leginfo.legislature.ca.gov*. Individual chapters may be ordered directly from the Legislative Bill Room, State Capitol, 10th Street, Room B32, Sacramento, California 95814, 916-445-2323.

2 Administrative
2 Appellate Procedure
4 California Environmental Quality Act
5 Child Welfare
12 Civil Procedure
20 Collaborative Courts
21 Court and Branch Operations
23 Court Records
23 COVID-19 / Pandemic Relief
25 Criminal Law and Procedure
32 Family Law
34 Fines, Fees, Collections, Distributions
35 Judicial Officers / Judicial Elections
35 Juries
36 Juvenile Justice
38 Labor and Employment
40 Mental Health
41 Probate
44 Protective Orders
46 State Bar / Practice of Law
47 Technology
48 Traffic
49 Appendix A: Civil Procedure
51 Appendix B: Juvenile Justice
56 Appendix C: Criminal Law and Procedure
57 Appendix D: Civil Procedure
58 Appendix E: Court and Branch Operations
60 Appendix F: 2021–2022 Legislation Affecting California Appellate Procedure
62 Appendix G: 2021–2022 Legislation Responding to California Appellate Civil Justice Court Decisions
64 Appendix H: 2021 New and Expanded Crimes
83 Appendix I: 2021 New and Expanded Civil Causes of Action
89 Index

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Legislative Update: Spring 2022

2021 Stats:

- 2,776 bills introduced
- 1,125 bills (41%) Gov. Affairs tracked
- 1,038 Signed
- 66 Vetoed (6% of total)

2022 Stats:

- 2,132 bills introduced
- 811 bills (38%) Gov. Affairs tracking
- Total Active Bills: 2,826
- Total Tracked: 1,194 (42%)
- 4 with impacts to revenues
- Highlighting these 4 bills

The judicial branch tracks a large amount of bills each session. A relatively small number of these deal with branch revenue issues in a way that is appropriate for the branch to advocate on.

DID YOU KNOW?

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Legislative Update: Spring 2022

AB 1865:

- Requires court to grant permission to join water rights case as party w/o fee payment
- Water rights cases can have multiple (up to 100's) of parties
- May create notable revenue reductions

AB 1803:

- Allows change plea/verdict petitioners to apply for a fee waiver
- Prohibits courts from denying petition based solely on incomplete restitution obligations.
- Courts charged 5 yr. avg. of $800,000 for this petition fee.
- Unable to estimate fee waiver app. rate

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2022 Legislative Update

SB 355:

- Modifies civil fee waiver eligibility standards:
  - Adds other types of public benefits
  - Adopts higher income threshold based on federal rent affordability (HUD)
- Could increase current annual income threshold from $16k to $98k
- 2019 CA median fam. income: $91k.

SB 1096:

- Seeking to clarify Ability to Pay assessments and Traffic Violator School (TVS) are allowed.
- Seeks to clarify existing law that allows for TVS pay plans (i.e. up to 90 days) & fee reductions.
- Could lead to differing total bail amounts for TVS participants w/ same traffic infraction

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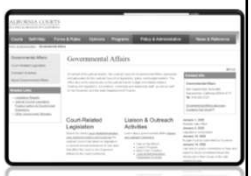
2022 Legislative Update

ed in following the progress of legislation?
Visit the courts website at: http://www.courts.ca.gov/4121.htm

View Links for:
- Active Legislation, and/or
- Legislative Status Charts.
- Past legislation (NEW!!!)

❖ Check periodically to see how the bills you care about change
❖ Watch for page changes. change over the

OR, visit California Legislative Information at:
http://leginfo.legislature.ca.gov/faces/billSearchClient.xhtml



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Questions?

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Poll #1

To address concerns that infraction fine/fees are too high, should the legislature:

A. Keep Assessments, Reduce base fines

B. Eliminate Assessments, adjust base fines as needed

C. Eliminate all fines, make community service mandatory

D. No Changes Are Needed

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Uniform Bail and Penalty Schedules (UBPS)

Jamie Schechter, Attorney

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Uniform Bail and Penalty Schedules (UBPS)

Uniform Bail and Penalty Schedules

2022 EDITION

(Cal. Rules of Court, rule 4.102)

TRAFFIC
BOATING
FORESTRY
FISH AND GAME
PUBLIC UTILITIES
PARKS AND RECREATION
BUSINESS LICENSING

JUDICIAL COUNCIL OF CALIFORNIA

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What is Bail?

DETOUR

"Regular" Bail:

- Defendants generally have a right to be released from custody before trial.
- Cash bail or a secured bail bond is used to ensure that the defendant appears in court on their case.

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Traffic Bail Under UBPS

- For certain offenses, a penalty in the form of **a fine** can be "forfeited" and cancel the need for any further court proceedings (VC § 40512 emphasis added).
- Payment is treated as a conviction for the offense (VC § 13103).

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What UBPS Includes

Mandatory Schedule:
- Traffic infractions

Suggested Base Fines:
- traffic misdemeanors
- boating
- forestry
- fish and game
- public utilities
- parks and recreation
- business licensing

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Exceptions to the UBPS

The following counties may exceed the UBPS traffic infraction schedule:

1. Alpine	11. Lassen	21. San Joaquin
2. Amador	12. Los Angeles	22. Santa Clara
3. Butte	13. Madera	23. Sierra
4. Calaveras	14. Mariposa	24. Stanislaus
5. Contra Costa	15. Mendocino	25. Sutter
6. Del Norte	16. Modoc	26. Trinity
7. Fresno	17. Mono	27. Tulare
8. Humboldt	18. Plumas	28. Tuolumne
9. Kings	19. San Benito	29. Yolo
10. Lake	20. San Diego	30. Yuba

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Traffic Infraction Schedule

Infraction Category	Severity of Offense	Base Fine
1	Bicyclist, motorized scooter, pedestrian, pocket bike, vehicle registration and equipment offenses	$25
2	Driver's license, operation of vehicle, and size and load offenses	$35
3	Substance abuse infractions, VC § 2818 (trespassing electronic beacon), VC § 20004 (reporting deaths,) VC § 21706.5 (operation of vehicle in emergency accident zone), VC § 27375 (modified limousines)	$70
4	Miscellaneous offenses for which the penalties or the fee for dismissal with proof of correction are specifically set by the Vehicle Code, speeding offenses (refer to Speed Chart), and infractions pursuant to PC § 19.8	Depends

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Total Bail for Infractions

Base Fine + Penalties & Surcharge + Fees = Total Bail

Category	Base Fine	Penalties & Surcharges	Fees	Total Bail/Fees
1	$25	$96	$75	$196
2	$35	$127	$75	$237
3	$70	$221	$75	$366
4	Depends on base fine			

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Total Bail (cont'd)

Suggested minimum "Total Bail" for an offense not specifically listed in the following schedules, unless a California code or regulation specifies otherwise, are:

Type of Offense		Base Fine	Penalties & Surcharges	Fees	Total Bail/Fees
Traffic Misdemeanor		$75	$251	$70	$396
Public Utilities		$185	$588	$70	$843
Boating, Business Licensing, Fish & Game, Forestry, or Parks & Rec	Misdemeanor	$100	$310	$70	$480
	Infraction	$35	$123	$75	$233

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UBPS Penalties Breakdown

Type	Code & Section	Formula	Use
State penalty assessment ("State PA")	Penal code § 1464	$10 assessment for every $10 or part of $10 fine	State penalty fund, goes to law enforcement training, restitution fund, etc.
County penalty assessment ("County PA")	Gov Code § 76000	$7 assessment for every $10 or part of $10 fine	County treasury
County and state DNA funds penalty assessment ("DNA PA")	Gov Code §§ 76104.6, 76104.7	$5 assessment for every $10 or part of $10 fine	DNA identification
State surcharge	Penal code § 1465.7	20% of base fine	General fund
Emergency medical services penalty assessment ("EMS PA")	Gov Code § 76000.5	$2 assessment for every $10 or part of $10 fine	County emergency medical services
EMAT ("EMAT PA")	Gov Code § 76000.10(c)(1)	$4	Emergency medical air transport
Court operations fee ("Court ops")	Pen. Code § 1465.8	$40	Court operations
Criminal conviction assessment ("Conv. Assess")	Gov Code § 70373	$35	Maintain adequate funding for court facilities
Night or weekend court fee ("Night court") (optional by court)	Veh. Code § 42006	$1	Night or weekend court program
Traffic assistance program ("TAP fee") (optional by court)	Veh. Code § 11205.2(c)	Varies, but cannot exceed actual court cost of traffic assistance program	Traffic assistance program

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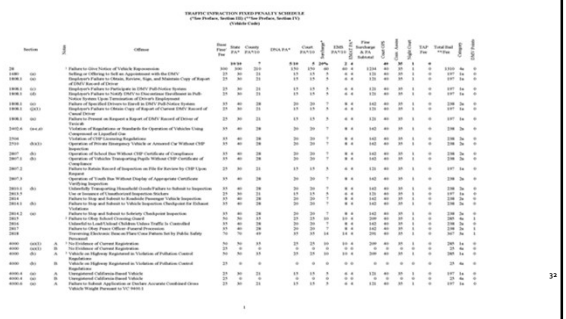
Page from 2022 UBPS



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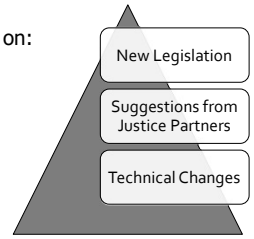
2022 UBPS

Changes based on:



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Significant 2022 UBPS Changes

- Revision of language on page IV regarding Emergency Medical Air Transportation (EMAT) penalty sunset date.
- Addition of Vehicle Code section 21300(a)(b) regarding safety on an equestrian animal.
- Several additions to the Boating Bail and Penalty Schedule based on new correctable violations.
- Addition of Fish and Game Code section 2024, Unlawful Removal and Commercialization of Dudleya.

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Ability to Pay and Online Traffic Adjudication

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2021-22 State Budget Bill

Budget Act of 2021 funds expansion of the online ability to pay determinations pilot program and provides backfill of associated judicial branch revenue reductions.

- $7.9 million in FY 2021-2022
- Increases over three years to $58 million ongoing annually
- Courts onboarded quarterly in cohorts
- All 58 trial courts must offer online ability to pay by June 30, 2024

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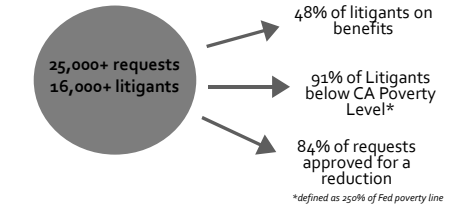
ATP System Data

ATP Pilot Program 4/19-6/21



**defined as 250% of Fed poverty line*

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ATP System Data

ATP Pilot Program 4/19-6/21

Total Amount Owed	$17,485,898
Average Amount Owed *Per Ticket*	$693
Total Owed *After* Adjustment	$9,154,800
Average Amount Owed *After* Adjustment	$362

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Gov. Code § 68645

Requirements When Determining Ability to Pay

- The tool must recommend at least a 50% reduction for a defendant on benefits
  - Current pilot court tool recommendations vary from 50-80% for defendants on benefits.
- If the defendant on benefits is granted an installment plan, it shall be no more than $25 a month.
- While statute does not mandate specific reduction recommendations for defendants *not on* benefits, pilot program policy has been to treat similarly situated defendants similarly.
  - Generally, litigants at poverty levels of 125-250% receive reduction and payment plan similar to those on benefits.

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Gov. Code § 68645 (cont'd)

General Guidance

- Each court can configure their own parameters for calculator recommendations for reductions.
- In all cases, judicial officers have discretion to alter tool recommendation when necessary.

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Gov. Code § 68645 (cont'd)

- Courts may not impose administrative fees for payment plans, on nondelinquent and delinquent accounts, if a defendant makes an online or in-person ability-to-pay request.
  - Determination requests are offered free of charge to individual.
  - Payment plans are offered free of charge to individual.

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Courts Offering MyCitations

Current (as of 4/22)

Tulare, Shasta, Ventura, Santa Clara, San Francisco, Fresno, Monterey, Santa Cruz, Imperial Ow

Total Owed *After* Adjustment

Up Next…

Modoc, Humboldt, Placer, Mono, San Luis Obispo, San Benito

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Poll #2

All counties are required to use the fine amounts listed in the Uniform Bail & Penalty Schedule.

A. True

B. False

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Ability to Pay Backfill

LaFatima Jones , Budget Analyst

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A collecting entity **cannot** charge an administrative fee for installment plans or accounts receivable.

DID YOU KNOW?

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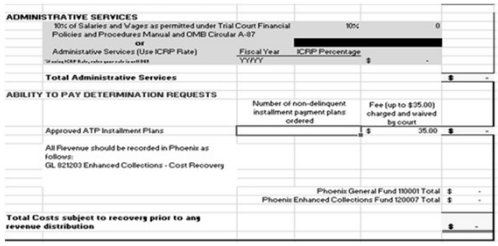
Cost Recovery



ADMINISTRATIVE SERVICES			
10% of Salaries and Wages as permitted under Trial Court Financial Policies and Procedures Manual and OMB Circular A-87		10%	0
or			
Administrative Services (Use ICRP Plate)	Fiscal Year	ICRP Percentage	
	YYYY		$ -
Total Administrative Services			$ -
ABILITY TO PAY DETERMINATION REQUESTS			
	Number of non-delinquent installment payment plans ordered	Fee (up to $35.00) charged and waived by court	
Approved ATP Installment Plans		$ 35.00	$ -
All Revenue should be recorded in Phoenix as follows: GL 821203 Enhanced Collections - Cost Recovery			
		Phoenix General Fund 110001 Total	$ -
		Phoenix Enhanced Collections Fund 120007 Total	$ -
Total Costs subject to recovery prior to any revenue distribution			$ -

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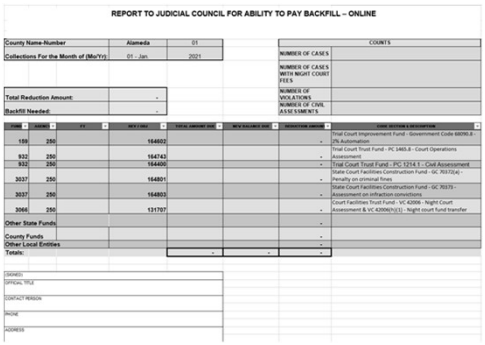
Backfill Funding for Amounts Reduced



REPORT TO JUDICIAL COUNCIL FOR ABILITY TO PAY BACKFILL – ONLINE

County Name-Number	Alameda	01	
Collections For the Month of (Mo/Yr):	01 - Jan	2021	
Total Reduction Amount:	-		
Backfill Needed:	-		

COUNTS	
NUMBER OF CASES	
NUMBER OF CASES WITH NIGHT COURT FEES	
NUMBER OF VIOLATIONS	
NUMBER OF CIVIL ASSESSMENTS	

FUND	ACCT	FY	REV CODE	TOTAL AMOUNT DUE	NEW BALANCE DUE	REDUCTION AMOUNT	FUND SOURCE & DESCRIPTION
159	250		164602			-	Trial Court Improvement Fund – Government Code 68090.8 - 2% Automation
932	250		164743			-	Trial Court Trust Fund - PC 1463.8 - Court Operations Assessment
932	250		164400			-	Trial Court Trust Fund - PC 1214.1 - Civil Assessment
3037	250		164801			-	State Court Facilities Construction Fund - GC 70372(a) - Penalty on criminal fines
3037	250		164803			-	State Court Facilities Construction Fund - GC 70373 - Assessment on infraction convictions
3066	250		131707			-	Court Facilities Trust Fund - VC 42006 - Night Court Assessment & VC 42006(h)(1) - Night court fund transfer
Other State Funds						-	
County Funds						-	
Other Local Entities						-	
Totals:				-	-	-	

SIGNED:	
OFFICIAL TITLE	
CONTACT PERSON	
PHONE	
ADDRESS	

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Resources

Ability to Pay Statewide Rollout Portal
https://calcourts02.sharepoint.com/sites/ATPStatewideRollOut

Judicial Council ATP Contacts

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- Suzanne Schleder, Information Technology – Suzanne.Schleder@jud.ca.gov
- Martha Wright, Criminal Justice Services – Martha.Wright@jud.ca.gov

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Questions?

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Poll #3

A collecting entity may impose a fee to offset the administrative and clerical costs for processing an installment account, in the amount of:

A. $35
B. $55
C. Actual cost
D. None of the above

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Collections

Maria Lira, Senior Budget Analyst
Don Lowrie, Budget Analyst

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Collections Activities

- Updates
  - Approved Performance Measures and Benchmarks (PMB)
- 2020-21 Collections Highlights
  - Revised Instructions and Forms
- 2021-22 Collections Reporting Template (CRT)
  - Revisions
  - Data elements
  - Pre-filled CRT

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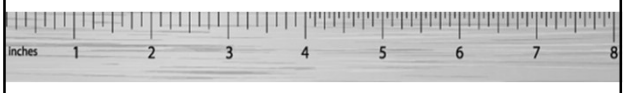
New Performance Measure and Benchmarks

Performance Metrics:

- Collector Effective Index (CEI)
- First Year Resolution Rate
- Spend Efficiency Score (SES)
- Cost to Referral Ratio



Normalizing Metrics:

- Adjustment Score
- Discharge Score
- Risk Monitor

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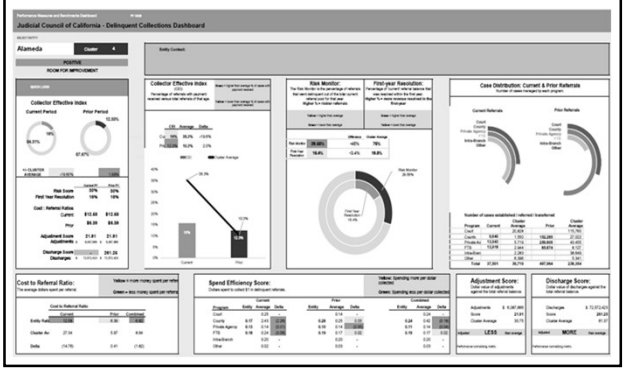
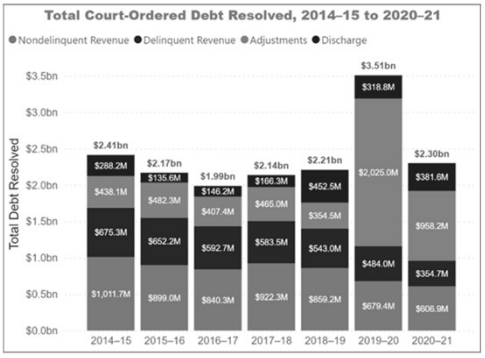
Sample Dashboard



PMB Takeaways

- Metrics Use Only CRT Data
- No Specified Benchmarks
- Clean Data *may* Improve Performance Averages
- Training/information Session(s) to be Provided

Collections Highlights



Court-ordered Adjustments

- Ability to Pay reduction
- Waiver
- Dismissal
- Vacate order (per statutory change)
- Community service
- Custody time served in lieu of payment

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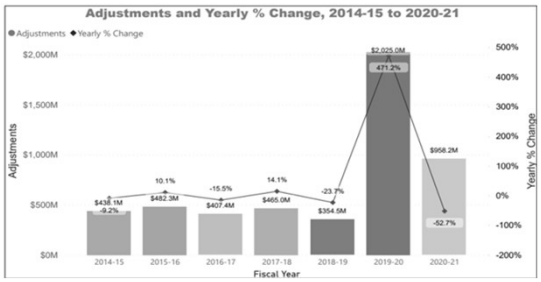
Adjustments

Metric: Adjustment Score
2020-21 Statewide Score: 100.16



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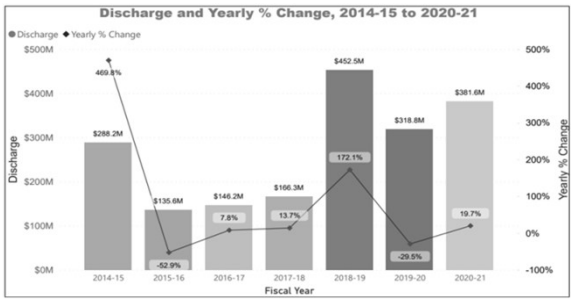
Discharge from Accountability

Metric: Discharge Score:
2020-21 Statewide Score: 39.89



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Discharge Facts

$2,022,814,011 Amount discharged since 2012

2010 Authorized a collections program operated by a court to approve discharge

16 Number of collection programs that have discharged $0

$7.8B Total statewide uncollected delinquent debt (as of June 30, 2021)

24% Unpaid balance held by 16 programs with no discharge process implemented

1 Program obtained approval by addressing process as "suspension of active collection efforts…"

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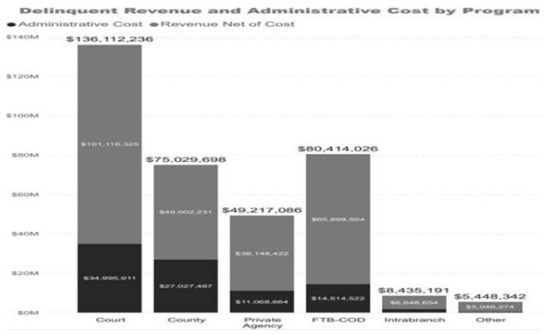
Administrative Cost



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Statutory Changes

Assembly Bill 1869:

- Repealed several criminal fees.
- If assessed, report any dismissed or vacated fees as **Adjustments** in CRT.

Assembly Bill 177:

- Repealed several administrative fees.
- If assessed, report any dismissed or vacated fees as **Adjustments** in CRT.

A collecting entity **cannot** collect fees repealed by AB 1869 and AB 177.

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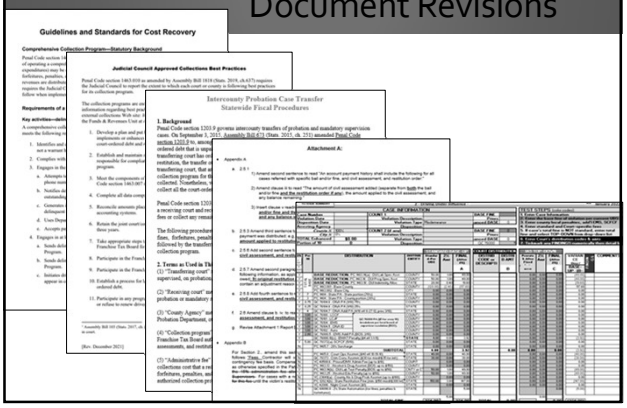
AB 177-Related Document Revisions



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Collections Reporting Template 2021-22

Changes to Format

Contact Sheet → Adjustments Tab → Old PMBs Deleted

Pre-Filled and Due September 1st

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Questions?

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Poll #4

Which of the following is NOT true regarding discharge from accountability?

A. The discharge must be approved either by the Board of Supervisors or the presiding judge, depending on which entity is responsible for collections.
B. By statute, an account is eligible for discharge if the amount is too small to justify the cost of collection or the likelihood of collection does not warrant the expense involved.
C. Discharge from accountability relieves the collecting entity from any further responsibility for collecting the debt.
D. Discharge from accountability relieves the defendant from any further responsibility for paying the debt.

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Franchise Tax Board-COD

Jennifer Jacobsen, Administrator 1

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STATE OF CALIFORNIA
Franchise Tax Board

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STATE OF CALIFORNIA
Franchise Tax Board

Court-Ordered Debt Collection Program Overview

Jennifer Jacobsen, Court-Ordered Debt Collection

COD
Court-Ordered Debt Collections

May 2022

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Program Overview Objectives

- Background and Funding
- Program Eligibility and Enrollment
- How the Program Works
- Automated System Process
- Collection Cycle and Collection Notices
- Distribution of Funds
- Online Services
- Program Statistics and Case Highlights
- Keys to our Success and Updates
- Program Support

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Background

- In 1994, the California State Legislature authorized the Franchise Tax Board to collect delinquent court-ordered debt as a pilot program.
- In 2004, the Legislature made the program permanent and expanded it statewide. (California Revenue and Taxation Code Sections 19280–19282).

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Funding

- Funding is provided by the participating courts and agencies. These costs cannot exceed 15 percent of the amount COD collects on behalf of their clients.

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Program Eligibility

- State Agencies:
  - Any type of restitution orders and fines imposed by Juvenile or Superior Court of the State of California.
  - Amounts imposed by the Supreme Court of the State of California for certain debts due to the State Bar
- Courts:
  - Any type of fines, state or local penalties, bail and forfeitures.
  - All offenses involving a violation of the Vehicle Code, and any amounts due pursuant to Section 903.1 of the Welfare and Institutions Code.

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Enrollment

- Memorandum of Understanding
- Onboarding
- Testing

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Debt Criteria

The following criteria must be met when submitting cases:

- Your case should be 90 days or more delinquent
- Minimum case balance must be $25.00
- Minimum account balance due of $100.00
- Must include your debtor's first and last name
- Must have either a social security number, date of birth, or drivers license number
- Addresses must be complete

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How the Program Works

- Validate Information
- Create a COD account
- Begin the collection cycle
  - Demand Notice
  - Wage Garnishment
  - Bank Levy
- We will return the case if:
  - We are unable to locate a good SSN
  - Case is deemed uncollectable

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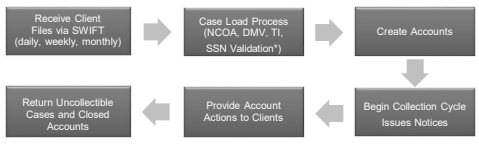
Automated System Process



*National Change of Address, Department of Motor Vehicles, Taxpayer Information and Social Security Number Validation

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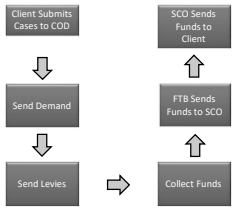
Detailed Collection Cycle



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Collection Notices

- Demand: • Only notice sent to the debtor's last valid address
- Instalments: • Payment arrangements made per debtor's financial status
- EWD or COTW: • Levy sent to debtor's employer or contractor for self employed
- OTW: • Levy sent to the debtor's financial institution
- Levy Withdrawal: • Modify terms, reduce balance, delay or withdraw actions

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Distribution of Funds

Payments collected are pro-rated
If a debtor has multiple cases with you, or cases in addition to yours with another county, the money is prorated and disbursed among all cases with the largest case balance receiving the largest portion.

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Aged Case Recall Process

- Case is returned to client if no activity for up to 24 months
- COD will return/withdraw the case sooner if:
  - Case is deemed uncollectable
  - Client withdraws the case
  - Event related activity

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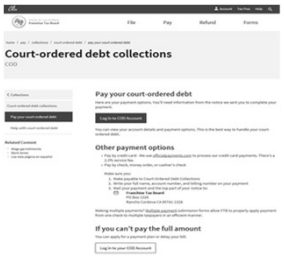
Online Services



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2021/2022 Fiscal Year to Date Collection Totals			
Case Inventory		***Collection Notices***	
New Cases Received	413,294	Demand Notices	677,137
Accepted Cases	353,441	Installment Agreements	46,447
Withdrawn Cases	46,369	Bank Levies	170,397
Returned Cases	385,121	Wage Garnishments	435,394
Net Inventory Change	(78,049)	**Total Collection Activities**	1,335,130

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Case Highlight

Court Ordered Debt (COD) received a case in June 2018 with a balance of $9,342.59. Due process was completed with a Demand notice being issued the same month.

In October 2018 an employer was located, and an Earnings Withholding Order (EWO) was issued. COD Received payments from the employer from January 2019 through June 2020, then the debtor went on an extended leave.

The debtor called into COD in June of 2021 and requested to have the order released before he went back to work. An agent advised the debtor he would need to pay the remaining balance of $7,219.24 before the EWO could be released. The agent suggested the debtor pay in full (PIF) through our online “MY COD” account with his banking information for no extra fees.

The debtor made the full payment while still on the phone. The agent was able to verify the payment through an internal system and released the EWO.

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Keys to Our Success

- Experienced Contact Center Staff
- Client Services Staff
- IT Help Desk
- Interactive Voice Response
- Web Services

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Updates

- Remote Agent
- Revenue
- Legislation

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Program Support

Court-Ordered Debt Client Services
Phone: 916.845.7503
Email: CODClientServices@ftb.ca.gov

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Contact Information

- Jennifer Jacobsen, Program Supervisor
- 916.845.5118, Jennifer.Jacobsen@ftb.ca.gov
- Shannon Servando, Program Supervisor
- 916.845.6093, Shannon.Servando@ftb.ca.gov
- Rashan Anderson, Program Supervisor
- 916.845.5238, Rashan.Anderson@ftb.ca.gov
- Crystal Berrian, Program Manager
- 916.845.3546, Crystal.Berrian@ftb.ca.gov

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Questions?

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Franchise Tax Board-IIC

Arlene Cochran, Administrator 1

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STATE OF CALIFORNIA
Franchise Tax Board

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STATE OF CALIFORNIA
Franchise Tax Board

Interagency Intercept Collection
Program Overview

IIC
Interagency Intercept Collections

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IIC Objectives

- Background
- 2021 Program Statistics
- Program Eligibility
- How the Program Works
- Your Role and Responsibility
- Reports
- Case Highlights
- COVID-19 Impacts
- What's Ahead and Program Support

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Background

- Began in 1975.
- Authorized by Govt. Code sections 12419.2-3, 12419.5, 12419.7-12.
- Administered by Franchise Tax Board (FTB) on behalf of the State Controller's Office (SCO).

- Types of intercepted payments:
  - Personal Income Tax Refunds
  - Lottery Winnings
  - Unclaimed Property Disbursements

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2021 IIC Program Statistics

Calendar Year 2021 Collection Totals		
Intercept Source	**Intercepts**	**Redirected Revenue**
Personal Income Tax	284,494	$138,955,249
Lottery Winnings	5,415	$4,420,365
Unclaimed Property	12,980	$4,475,603
Total	**302,889**	**$147,851,217**

Calls Received	8,559
Calls Answered	7,831
% Answered	82%
Number of Staff	7

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Program Eligibility

- **State agencies**
  Any type of debt.
- **Counties and cities**
  Property taxes, delinquent fines, bails, and other permitted debts.
- **California colleges**
  Delinquent registration, tuition, bad check fees, and other permitted debts.
- **Special districts**
  Water bills, waste disposal fees, and fire inspection fees.

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How the Program Works

- Participating agencies submit debtor accounts via Secure Web Internet File Transfer.
- **Debt Criteria:**
  - Debt type qualifies under the Intercept Program authority.
  - 30 days have passed since the Pre-Intercept Notice has been mailed.
  - Debt amount is at least $10.
  - Debtor is not in an active bankruptcy.
  - Debtor has a valid social security number.
  - There is one sum total debt amount for each debtor.
- We flag accounts with an offset indicator.
- When an offset takes place, we will mail the debtor a notice.

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Notice to Debtors

Notice of Intercepted Funds (Various FTB 4141 forms)

- Debtor's account number with the agency.
- Agency's public contact information.
- Original payment amount.
- Offset amount.
- Remaining refund amount.
- Government code authorizing the Intercept Program.

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Program Benefits & Cost

Benefits

- Additional revenue source
- Low-cost collection alternative
- Differ from other collection services

Cost

- Approximately $2.50 - $3.00 per offset, fees may vary each year.
- SCO charges a fee to reimburse the administrative costs of the program.
- SCO will send bill in April/May for each successful intercept in previous year.

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How to Participate

Apply with SCO

- Initial Request to Participate (FTB 2282 PC)

Participate with FTB

1. Intent to Participate (FTB 2280 PC)
2. Vendor/Contractor Confidentiality Statement (FTB 7904)
3. Copy of your Pre-Intercept Notice

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Annual Timeline

September
- Submit all forms
- Mail all pre-notices to debtors

November
- Submit the annual load file to FTB

December
- FTB purges all current year accounts mid month
- FTB loads all new annual accounts by end of month

May
- SCO bill all participants for prior year services

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Your Role and Responsibility

- Modify accounts when balances change.
- Refund debtors any overpayments.
- Provide timely customer service to debtors.
- Pay the annual Intercept Program service fee.
- Follow the confidentiality guidelines.
- Recognize that unauthorized disclosure of confidential information is a crime.

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Reports

Weekly Offset Reports

Separate reports for each payment type:
- Tax refunds
- Lottery winnings
- Unclaimed property

If there is no offset activity, we will not generate a report.

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Case Highlights

In January 2022, a debtor had Unclaimed property and submitted the forms to claim the property. The debtor's claim was for $27,251. The debtor had a balance due with FTB and all of the funds were collected and applied to their FTB account.

In a case involving a lottery winner a debtor submitted a winning lottery ticket to the CA Lottery. The debtor's winnings were $81,260. The debtor had a balance due with Franchise Tax Board in the amount of $27,352. After the winnings had been applied to the outstanding FTB debt the debtor received over $53k in Lottery winnings.

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COVID-19 Impacts

- IIC Program Suspension
  - 2021: February 22, 2021, through July 31, 2021. Child Support was the exception.
- Communicated suspension and resumption dates to all participating agencies.
- Agency Holds.
- IIC staff continue to telework

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What's Ahead

- ID Lookup (SB 75)
  - Allows agencies to submit debts without SSN
  - Currently 3 agencies participate and has resulted in 2,329 Intercepts and $754,093 in revenue
  - Expanding to include two more agencies in 2022
    - Application Process
    - Manual Effort

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What's Ahead Cont'd

- New 5 Digit Agency Codes
  - Expanding to a 5-digit code for all agencies
  - Impact to record layouts, file name, and SWIFT folder
  - Changes to existing business practices for Annual Load submission timeframes

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Program Support Contacts

Program staff can assist with:

- Intercept information.
- Copies of missing reports.
- Payment and billing questions.
- Your SWIFT account registration.

Client Liaison Phone: 916.845.5344
General Call Center Phone: 1.866.563.2375
Fax: 916.843.2460
Email: IICgroupIncoming@ftb.ca.gov

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Questions?

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State Controllers Office

Henry Mathews, Analyst

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Trial Court Revenue Distribution Training Spring 2022

BETTY T. YEE
California State Controller

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Introduction

Trial Court Revenue Distribution Guidelines
- Henry Mathews, Policy Analyst, Local Government Policy Unit

TC-31 Forms
- Marieta Delfin, Supervisor, Tax Accounting Unit

Common Audit Findings
- Doug Brejnak, Staff Management Auditor (Specialist)

If you have any questions related to trial court revenue distribution, please email LocalGovPolicy@sco.ca.gov.

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Overview of SCO Guidance

- Our Website
- Overview of the *Trial Court Revenue Distribution Guidelines*
- Research and Using the *Guidelines*
- Updates to the *Guidelines*
- Listserv Notifications
- TC-31s
- SCO Court Revenue Audits

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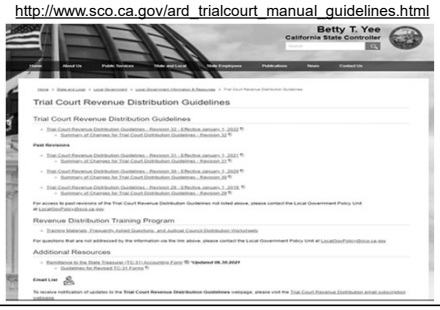
SCO Trial Court Website

The Trial Court Revenue Distribution Guidelines can be found at:
http://www.sco.ca.gov/ard_trialcourt_manual_guidelines.html



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SCO Trial Court Website, cont.

The Trial Court Revenue Distribution Guidelines can be found at:
https://sco.ca.gov/ard_trialcourt_manual_guidelines.html

On the Trial Court Website you will also find:

- Urgency Legislation, training materials, FAQs, and other useful resources.
- Link to Revenue Distribution Training Website which contains:
  - Training materials, FAQs, and Judicial Council Distribution Worksheets.
  - Schedules, worksheets, and guides.
  - Presentations, PDFs, and other resources related to Revenue Distribution Training Programs for previous years.

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TC Guidelines - Overview

Trial Court Guidelines:

- Provide direction on the distribution of fines, fees, forfeitures, penalties, and assessments from criminal and civil violations.
- Updated at least once a year.
- Required by California code.
- Consist of nine distribution tables.
  - *Each table is preceded by a narrative, as well as any special rules or background that may apply.*
  - *Narratives provide guidance on questions.*

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TC Guidelines – Overview, cont.

Changes to Trial Court Guidelines

- Majority of changes to the Guidelines happen through the annual legislation process.
- After each legislation cycle we add the codes that were added or amended or repealed.
- At the beginning of every year a new Revision is published.
- A Summary of Changes to the Guidelines is also published at the beginning of every year.

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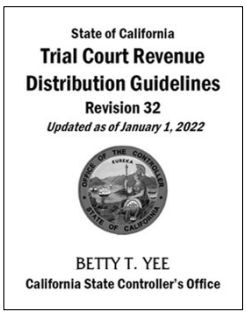
Trial Court Revenue Distribution Guidelines



The **Trial Court Revenue Distribution Guidelines** provide direction on the distribution of fees, fines, forfeitures, penalties, and assessments resulting from criminal and civil violations. (*Government Code § 71380*)

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Types of Trial Court Revenue

Fees – a sum paid or charged for a service

Fines – a sum imposed as punishment

Forfeitures – the loss of property or money through seizure

Penalties/Assessments – a sum imposed as punishment in addition to a fine

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Standard Criminal/Traffic Fine Equation

Base Fine + Base Fine Enhancements
=
Total Base Fine
+
Penalties (State, Local, EMS, DNA, Construction, etc.)
+
State Surcharge
+
Fees and Assessments
=
Total Bail or Fine

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Fines, Penalties, and Assessments: Part I

Base fines are typically increased by the following:

State Penalty: $10 for every $10*
Local Penalty: Up to $7 for every $10*
EMS Additional Penalty: $2 for every $10*
State & Local DNA Penalties: $5 for every $10*
State Court Facilities Construction Penalty: $5 for every $10*
**(or portion thereof – round UP)*

In other words, up to **$29 for every $10** in base fine (or portion thereof) is added, plus **State Surcharge** (20% of the base fine).

These penalties apply to all criminal fines unless otherwise specified.

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Fines, Penalties, and Assessments: Part II

All criminal convictions are subject to:

Criminal Conviction Assessment: ($35/infractions; $30/felonies and misdemeanors)
Court Operations Assessment: ($40)

Vehicle Code convictions are subject to:
Emergency Medical Air Transportation Penalty: $4

These apply only to convictions. They do **not** apply to offenses adjudicated in juvenile proceedings, unlike the penalty assessments on the previous slide.

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Sample Traffic Fine: Vehicle Code § 24400(b)

"A motor vehicle, other than a motorcycle, shall be operated during darkness, or inclement weather, or both, with at least two lighted headlamps…"

Base Fine:		**$ 35**
State Penalty ($10 x 4):	$ 40	
Local Penalty ($7 x 4):	$ 28	
DNA Penalties ($5 x 4):	$ 20	
Court Construction Penalty ($5 x 4):	$ 20	
EMS Penalty ($2 x 4):	$ 8	
Total Penalties:		**$116**
State Surcharge ($35 x 20%):		**$ 7**
Criminal Conviction Assessment:	$ 35	
Court Operations Assessment:	$ 40	
EMAT Penalty:	$ 4	
Total Assessments:		**$ 79**
TOTAL BAIL/FINE:		**$237**

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Distribution of Trial Court Revenue

PC § 1463.001 tells how the collected fines, penalties, service charges, and allocations are distributed each month:

1. Penalties and assessments added to base fines are distributed to the proper funds, according to law.
2. Unless specified, base fines are distributed as follows:
   County arrests are distributed 100% to **county**.
   City arrests are split between **city and county** pursuant to **PC § 1463.002**.
3. Base fines **with** a specified distribution are allocated to the proper funds, as described in the Guidelines.

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Penal Code § 1463.002

PC § 1463.002:

"The base fine amounts from city arrests shall be subject to distribution according to the following schedule:"

Sacramento	
Folsom	31
Galt	25
Isleton	13
North Sacramento	10
Sacramento	21
County percentage	26

Note that these percentages represent the **county's** share of the base fine. For cities and other local agencies not listed, the "County percentage" is used.

For example, the base fine resulting from an arrest by the Citrus Heights Police Department would be split 26% to Sacramento County and 74% to the City of Citrus Heights.

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Research: Four Steps

Step One: Search the Guidelines using keywords or the code section to find the distribution.

Step Two: Confirm current law at http://leginfo.legislature.ca.gov.

Step Three: Check the online FAQs at http://www.sco.ca.gov/ard_trialcourt_manual_guidelines.html.

Step Four: Contact us at LocalGovPolicy@sco.ca.gov.

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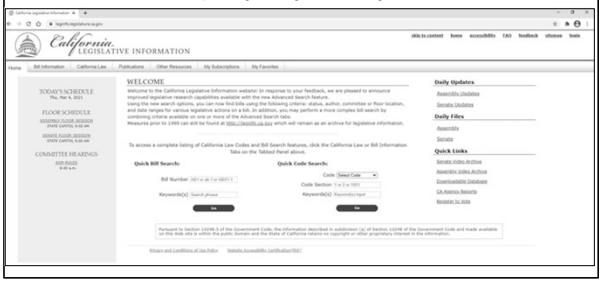
Legislative Information: LegInfo

LegInfo, the free website for California laws and bills, can be found at:
https://leginfo.legislature.ca.gov/



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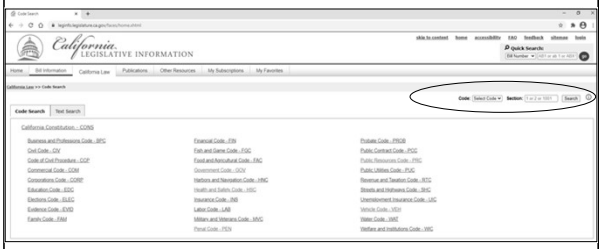
LegInfo: Researching the Codes

LegInfo allows one to enter a specific code section directly, or browse through one of California's 29 codes.



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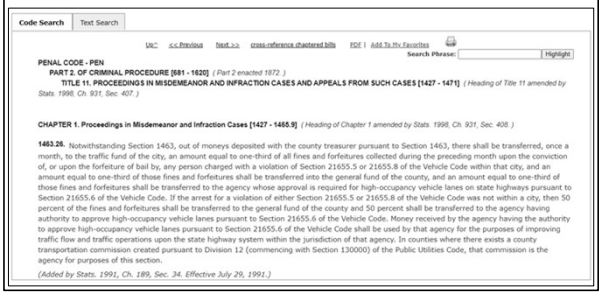
LegInfo: Viewing the Codes

Here is a screenshot of Penal Code § 1463.26 as an example.



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Reading Entries in the *Guidelines*

1. **Code Section** – The law involved, along with a description.
2. **Violation/Situation** – The laws being violated, or the circumstances in which the revenue is to be paid.
3. **Distribution** – Which agencies receive the revenue, and the percentages and/or conditions that apply.
4. **Applicable Fund** – The fund receiving the revenue.
5. **Fund Use/Special Provision** – Any limitations on use of the collected funds.
6. **Priority of Installment Payments –** The priority given to paying this charge according to Penal Code § 1203.1d *(for criminal cases only).*

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Reading Entries in the *Guidelines*

CODE SECTION	VIOLATION/SITUATION	DISTRIBUTION	APPLICABLE FUND	FUND USE/SPECIAL PROVISION
CC 1798.155 – California Consumer Privacy Act *Effective January 1, 2020*	Violations of CC 1798.100-1798.199 by a business, service provider, or other person subject to civil penalty of $2,500 for each violation or $7,500 for each intentional violation.	**100% to the State.**	**Consumer Privacy Fund.**	To offset costs incurred by the state courts and the Attorney General in enforcing CC 1798.100-1798.199.

CIVIL CODE

DIVISION 3. OBLIGATIONS [1427 - 3273]

PART 4. OBLIGATIONS ARISING FROM PARTICULAR TRANSACTIONS [1738 - 3273]

TITLE 1.81.5. California Consumer Privacy Act of 2018 [1798.100 - 1798.199]

1798.155.

(a) Any business or third party may seek the opinion of the Attorney General for guidance on how to comply with the provisions of this title.

(b) A business shall be in violation of this title if it fails to cure any alleged violation within 30 days after being notified of alleged noncompliance. **Any business, service provider, or other person that violates this title** shall be subject to an injunction and **liable for a civil penalty of** not more than **two thousand five hundred dollars ($2,500) for each violation or seven thousand five hundred dollars ($7,500) for each intentional violation**, which shall be assessed and recovered in a civil action brought in the name of the people of the State of California by the Attorney General. The civil penalties provided for in this section shall be exclusively assessed and recovered in a civil action brought in the name of the people of the State of California by the Attorney General.

(c) Any civil penalty assessed for a violation of this title, and the proceeds of any settlement of an action brought pursuant to subdivision (b), **shall be deposited in the Consumer Privacy Fund**, created within the General Fund pursuant to subdivision (a) of Section 1798.160 with the intent to **fully offset any costs incurred by the state courts and the Attorney General in connection with this title**.

*(Amended (as added by Stats. 2018, Ch. 55, Sec. 3) by Stats. 2018, Ch. 735, Sec. 12. (SB 1121) Effective September 23, 2018. **Section operative January 1, 2020**, pursuant to Section 1798.198.)*

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Updates to the Guidelines

Revision 32 of the *Trial Court Revenue Distribution Guidelines* was released in December 2021 and reflected changes due to legislation signed into law last year. Those changes are on the following slides.

Most became effective January 1, 2022, although some bills have a later effective date.

Just a note here that the acronyms used for the code sections will be updated on Revision 33 which is the next major revision upcoming in 2023. This is done to make the acronyms consistent with the acronyms used on the Leginfo website.

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Updates due to Legislation, cont.

Added, Amended Or Removed	Code Section	Description
Removed	PC 1463.07	$10 citation processing fee is repealed as of September 23, 2021. (AB-177)
Removed	PC 1463.07	$25 administrative screening fee is repealed as of September 23, 2021. (AB-177)
Amended	GC 77205	PC 1463.07 is repealed as of September 23, 2021. (AB-177)
Removed	VC 40508.5	$15 per willful violation of the written promise to appear or a lawfully granted continuance of the promise to appear in court or before a person authorized to receive a deposit of bail repealed as of January 1, 2022. (AB-177)
Removed	PC 1203.1c	Cost of incarceration not to exceed the amount determined by the Board of Supervisors repealed as of January 1, 2022. (AB-177)
Amended	GC 76000.10	Effective October 4, 2021, the $4 EMAT Penalty is reinstated for Vehicle Code violations, and may be imposed until December 31, 2022. Collection and distribution continues until December 31, 2023. Also updated the entry by removing details that have become obsolete. (AB-1104)
Removed	PC 1001.15	Fee to cover actual costs of enrolling in diversion program for defendants accused of felony or misdemeanor not to exceed $500 or $300 respectively is repealed as of January 1, 2022. (AB-177)
Removed	PC 1203.1ab	The reasonable fee for substance abuse testing for persons over the age of 21 is removed as of January 1, 2022. (AB-177)
Removed	PC 1203.4a	The $60 petition filing fee for the dismissal of a charge is removed as of January 1, 2022. (AB-177)

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Updates due to Legislation, cont.

Added, Amended Or Removed	Code Section	Description
Removed	PC 1001.16	Admin fee not to exceed $300 to cover enrollment in diversion program repealed as of January 1, 2022. (AB-177)
Amended	PC 2085.5(a)(b)	Administrative fee not to exceed 10% of the amount collected to cover actual administrative costs of collection, retained by the Department of Corrections and Rehabilitation or agency designated by the county board of supervisors from moneys collected repealed as of January 1, 2022. (PC 2085.5(a)(b)(e)(f)(o)) (AB-177)
Amended	PC 2085.5(c)	Administrative fee not to exceed 10% of the amount collected to cover actual administrative costs of collection, retained by the Department of Corrections and Rehabilitation from wages and trust account deposits repealed as of January 1, 2022. (PC 2085.5(c)(e)(o)) (AB-177)
Amended	PC 2085.5(d)	Administrative fee not to exceed 10% of the amount collected to cover actual administrative costs of collection retained by the agency designated by the county board of supervisors from wages and trust account deposits repealed as of January 1, 2022. (PC 2085.5(d)(f)(o)) (AB-177)
Amended	PC 2085.5(g)	Administrative fee not to exceed 10% of the amount collected to cover actual administrative costs of collection, retained by the Department of Corrections and Rehabilitation or agency designated by the county board of supervisors from moneys collected repealed as of January 1, 2022. (PC 2085.5(g)(i)(o)) (AB-177)
Amended	PC 2085.5(h)	Administrative fee not to exceed 10% of the amount collected to cover actual administrative costs of collection, retained by the Department of Corrections and Rehabilitation or agency designated by the county board of supervisors from moneys collected repealed as of January 1, 2022. (PC 2085.5(h)(i)(o)) (AB-177)
Amended	PC 2085.6(a)	The admin fee not to exceed 10% of the amount collected imposed by the county board of supervisors to cover actual administrative cost for collecting the restitution fine repealed as of January 1, 2022. (PC 2085.6(a)(d)(i)) (AB-177)
Amended	PC 2085.6(b)	The admin fee not to exceed 10% of the amount collected imposed by the county board of supervisors to cover actual administrative cost for collecting the restitution fine repealed as of January 1, 2022. (PC 2085.6(b)(d)(i)) (AB-177)

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Updates due to Legislation, cont.

Added, Amended Or Removed	Code Section	Description
Amended	PC 2085.7(a)	The admin fee not to exceed 10% of the amount collected imposed by the county board of supervisors to cover actual administrative cost for collecting the restitution fine repealed as of January 1, 2022. (PC 2085.7(a)(d)(i)) (AB-177)
Amended	PC 2085.7(b)	The admin fee not to exceed 10% of the amount collected imposed by the county board of supervisors to cover actual administrative cost for collecting the restitution order repealed as of January 1, 2022. (PC 2085.7(b)(d)(i)) (AB-177)
Amended	PC 1001.90(g)	The 10% maximum administrative fee which may be authorized by the Board of Supervisors repealed as of January 1, 2022. (AB-177)
Removed	PC 1202.4(l)	The 10% maximum administrative fee which may be authorized by the Board of Supervisors repealed as of January 1, 2022. The reference in the introduction part of the Guidelines is also removed. (AB-177)
Removed	PC 1203.1(l)	The 15% maximum administrative fee which may be authorized by the Board of Supervisors repealed as of January 1, 2022. The reference in the introductory part is also removed. (AB-177)

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Updates due to Legislation, cont.

Added, Amended Or Removed	Code Section	Description
Removed	PC 1205(e)	The reference in the introductory material referencing administrative fees and fees for collecting installment payments removed. (AB-177)
Removed	PC 1205(e)(g)	The admin fee of no more than $30 for processing accounts receivable and the admin fee for processing installment accounts are removed as of January 1, 2022. (AB-177)
Removed	PC 1214.5	Interest of 10% per year on the unpaid balance of the restitution fee is repealed as of January 1, 2022. (AB-177)
Amended	GC 70658	Effective July 16, 2021 Immediate and Critical Needs Account is abolished and State Court Facilities Construction Fund established pursuant to GC 70371(a)(b) with all distributions being redirected to the latter. $205 to be distributed to State Court Facilities Construction Fund and the remaining as per GC 68085.3. (AB-143)
Amended	GC 70617(e)	Effective July 16, 2021, $250 of the $500 application fee to appear as counsel pro hac vice is distributed to the State Court Facilities Construction Fund, instead of the Immediate and Critical Needs Account. (AB-143)
Amended	B&P 6322.1	Effective July 16, 2021, the Immediate and Critical Needs Account is abolished and State Court Facilities Construction Fund established pursuant to GC 70371(a)(b) with all distributions being redirected to the latter. (AB-143)
Amended	GC 68085.3	Effective July 16, 2021, the Immediate and Critical Needs Account is abolished and State Court Facilities Construction Fund established pursuant to GC 70371(a)(b) with all distributions being redirected to the latter. (AB-143)

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Updates due to Legislation, cont.

Added, Amended Or Removed	Code Section	Description
Amended	GC 68085.4	Effective July 16, 2021, the Immediate and Critical Needs Account is abolished and State Court Facilities Construction Fund established pursuant to GC 70371(a)(b) with all distributions being redirected to the latter. (AB-143)
Amended	GC 70657.5	Effective July 16, 2021, the Immediate and Critical Needs Account is abolished and State Court Facilities Construction Fund established pursuant to GC 70371(a)(b) with all distributions being redirected to the latter. (AB-143)
Amended	VC 42007.1	Effective July 16, 2021, the Immediate and Critical Needs Account is abolished and State Court Facilities Construction Fund established pursuant to GC 70371(a)(b) with all distributions being redirected to the latter. - (AB-143)
Amended	GC 70372(a)	Effective July 16, 2021, the Immediate and Critical Needs Account is abolished and State Court Facilities Construction Fund established pursuant to GC 70371(a)(b) with all distributions being redirected to the latter. See GC 70372(a)(f). - (AB-143)
Amended	GC 70372(b)	Effective July 16, 2021, the Immediate and Critical Needs Account is abolished and State Court Facilities Construction Fund established pursuant to GC 70371(a)(b) with all distributions being redirected to the latter. See GC 70372(b)(f). (AB-143)
Amended	GC 70373	Effective July 16, 2021, the Immediate and Critical Needs Account is abolished and State Court Facilities Construction Fund established pursuant to GC 70371(a)(b) with all distributions being redirected to the latter. See GC 70373(d). (AB-143)
Amended	VC 40611	Effective July 16, 2021, the Immediate and Critical Needs Account is abolished and State Court Facilities Construction Fund established pursuant to GC 70371(a)(b) with all distributions being redirected to the latter. See VC 40611(b)(C)(2) (AB-143)

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Updates due to Legislation, cont.

Added, Amended Or Removed	Code Section	Description
Removed	PC 987.5	Registration Fee when represented by Appointed Counsel is repealed as of July 1, 2021.
Removed	PC 987.8	Public Defender Fees is repealed as of July 1, 2021.
Removed	GC 29550.1	Criminal Justice Administrative Fee - Recovery is repealed as of July 1, 2021.
Removed	GC 29550.2	Criminal Justice Administration Fee repealed as of July 1, 2021.
Removed	GC 29550.3	Criminal Justice Administration Fee - City is repealed as of July 1, 2021
Removed	PC 1203.1b	Cost of Probation Fee repealed as of July 1, 2021.
Removed	PC 1203.1e	Cost of Parole Supervision Fee repealed as of July 1, 2021.

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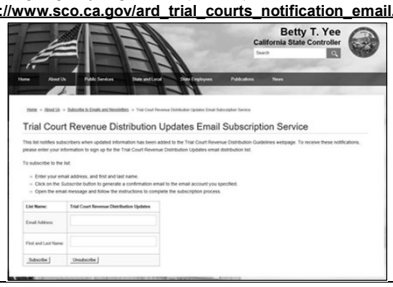
Listserv Notifications

To receive automatic notification of updates to the *Guidelines*, including Urgency Legislation updates, please visit our website at:
http://www.sco.ca.gov/ard_trial_courts_notification_email.html



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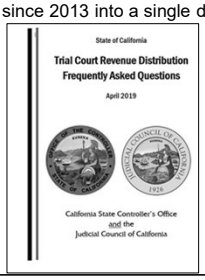
Frequently Asked Questions (FAQ)

Each training generates questions from the audience. SCO and the Judicial Council have compiled the most common ones from our training sessions since 2013 into a single document.


State of California

Trial Court Revenue Distribution
Frequently Asked Questions

April 2019

California State Controller's Office
and the
Judicial Council of California

142

Frequently Asked Questions (FAQ)

The Master FAQs contain over 200 responses in eight categories:

A. General Questions
B. Guidelines
C. Statutes
D. Parking
E. Collections
F. Distribution Calculations
G. Distribution Spreadsheets
H. Audits

Each entry includes the date it was last updated. Responses may change with new legislation or policy, so be cautious in relying on older responses.

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SCO Distribution Contact Information

If you have any questions related to trial court revenue distribution, please email LocalGovPolicy@sco.ca.gov

BETTY T. YEE
California State Controller

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Questions?

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Poll #5

The EMAT penalty is $4 for every $10 (or portion thereof).

A. True

B. False

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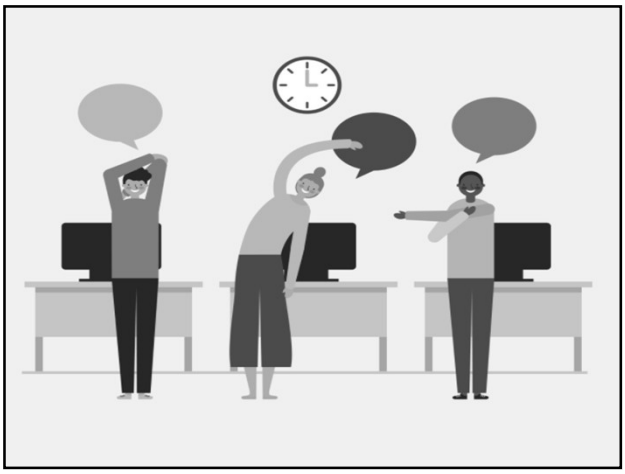

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TC-31

Marieta Delfin, Supervisor

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TC-31 Submission

1. Counties
- Remit money (EFT, wire transfer, or a check) to State Treasurer's Office
- Submit an original & one copy of TC-31 forms

2. State Treasurer's Office (STO)
- Deposit the money
- Keep the copy of the TC-31 form
- Forward the original TC-31 to SCO – Bureau of Cash Management

3. SCO – Bureau of Cash Management
- Log TC-31 forms received
- Forward the TC-31 forms to SCO – Tax Accounting Unit

4. SCO – Tax Accounting Unit
- Review the TC-31 forms for accuracy and timeliness
- Return the TC-31 forms to SCO – Bureau of Cash Management
- Prepare billing notices for delinquent remittances

5. SCO – Bureau of Cash Management
- Process the TC-31 forms
- Send the TC-31 forms to SCO-Key Data Operators for input into the fiscal system

SCO – Tax Programs Unit
- Receive copies of Audit Report
- Track county payments for audit findings
- Prepare billing notices for interest/penalties related to audit findings

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TC-31 Submission

Remittance to the State Treasurer (TC-31) forms can be found at https://www.sco.ca.gov/Files-ARD-Local/remittc_tc31.xlsx

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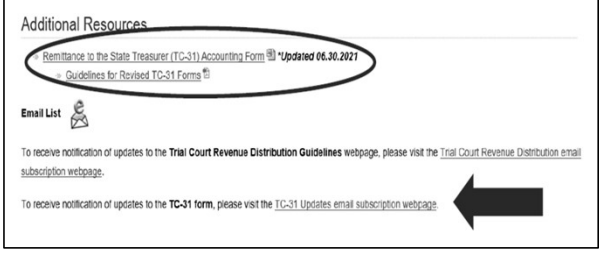
TC-31 Submission

Trial Court Revenue Distribution Guidelines Page
https://www.sco.ca.gov/ard_trialcourt_manual_guidelines.html
***New!* TC-31 Listserv**



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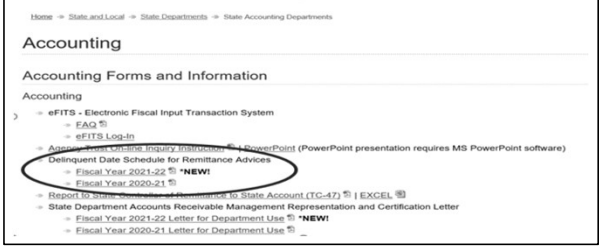
TC-31 Tips

Delinquent Date Schedule can be found at
https://www.sco.ca.gov/ard_state_accounting.html



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TC-31 Tips

State of California — Betty T. Yee, California State Controller

Memorandum

Date: May 3, 2021

To: All County Auditor-Controllers

From: **State Controller's Office**
Jennifer Montecinos, Manager
Tax Administration Section

Subject: **FISCAL YEAR 2021-22 DELINQUENT DATE SCHEDULE FOR REMITTANCE ADVICES**

In accordance with Government Code (GC) section 68085(c), (e), and (h); and GC section 70372(f), listed below is the delinquent date schedule for county remittances to the State. **Note that the money and remittance advice must both be postmarked on or before the deadline.** Any remittance submitted after the deadline will be considered delinquent and subject to interest. If delinquent, interest will be computed from the postmark deadline date.

Collection Month		Due Date			Postmark Deadline		
July	2021	September	14	2021	September	14	2021
August	2021	October	15	2021	October	15	2021
September	2021	November	14	2021	November	15	2021
October	2021	December	15	2021	December	15	2021
November	2021	January	14	2022	January	14	2022
December	2021	February	14	2022	February	14	2022
January	2022	March	17	2022	March	17	2022
February	2022	April	14	2022	April	14	2022
March	2022	May	15	2022	May	16	2022
April	2022	June	14	2022	June	14	2022
May	2022	July	15	2022	July	15	2022
June	2022	August	14	2022	August	15	2022

Remittances are due 45 days after the end of the month in which they are collected. This is not always the 15th of the month.
(I.e., remittances for April collections are due by June 14th)

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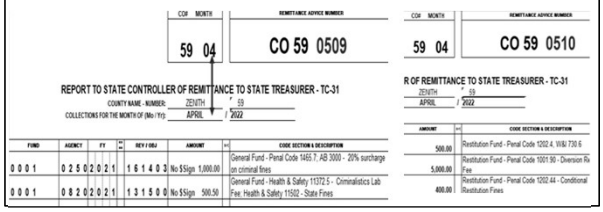
TC-31 Tips

Tips to remember when completing your TC-31 forms:

- Use a separate Remittance Advice Number for each page of your form, and do not repeat numbers.
- Month Name and Number (two digits) should match.
- Do not put dollar signs ($) next to the amounts.



COF	MONTH	REMITTANCE ADVICE NUMBER
59	04	CO 59 0509

REPORT TO STATE CONTROLLER OF REMITTANCE TO STATE TREASURER - TC-31

COUNTY NAME - NUMBER: ZENITH / 59

COLLECTIONS FOR THE MONTH OF (Mo / Yr): APRIL / 2022

FUND	AGENCY	FY	REV / OBJ	AMOUNT	+/-	CODE SECTION & DESCRIPTION
0001	0250	2021	16140	3 No $Sign 1,000.00		General Fund - Penal Code 1465.7; AB 3000 - 20% surcharge on criminal fines
0001	0820	2021	13150	0 No $Sign 500.50		General Fund - Health & Safety 11372.5 - Criminalistics Lab Fee; Health & Safety 11502 - State Fines

COF	MONTH	REMITTANCE ADVICE NUMBER
59	04	CO 59 0510

R OF REMITTANCE TO STATE TREASURER - TC-31

ZENITH / 59

APRIL / 2022

AMOUNT	+/-	CODE SECTION & DESCRIPTION
500.00		Restitution Fund - Penal Code 1202.4, W&I 730.6
5,000.00		Restitution Fund - Penal Code 1001.90 - Diversion Re Fee
400.00		Restitution Fund - Penal Code 1202.44 - Conditional Restitution Fines

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TC-31 Tips

Monthly TC-31 forms should be dated for the month of collection, not the date of remittance.

COF	MONTH	REMITTANCE ADVICE NUMBER
59	04	CO 59 0509

REPORT TO STATE CONTROLLER OF REMITTANCE TO STATE TREASURER - TC-31

COUNTY NAME - NUMBER: ZENITH / 59

COLLECTIONS FOR THE MONTH OF (Mo / Yr): APRIL / 2022

FUND	AGENCY	FY	REV / OBJ	AMOUNT	+/-	CODE SECTION & DESCRIPTION
0001	0250	2021	16140 3	1,000.00		General Fund - Penal Code 1465.7; AB 3000 - 20% surcharge on criminal fines
0001	0820	2021	13150 0	500.50		General Fund - Health & Safety 11372.5 - Criminalistics Lab Fee; Health & Safety 11502 - State Fines
0001	9990		13090 1			General Fund - Penal Code 290.3 - First Conviction

TC-31s are based on the fiscal year (July 1–June 30); "2021" is the correct entry for FY 2021-22 collections.

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TC-31 Tips

Quarterly remittance - Use the last month of the quarter, not the month of the due date.

Ex. January – March 2022 remittances due 4/1/2022.

COF	MONTH	REMITTANCE ADVICE NUMBER
59	03	CO 59 0511

REPORT TO STATE CONTROLLER OF REMITTANCE TO STATE TREASURER - TC-31

COUNTY NAME - NUMBER: ZENITH / 59

COLLECTIONS FOR THE MONTH OF (Mo / Yr): MARCH / 2022

FUND	AGENCY	FY	REV / OBJ	AMOUNT	+/-	CODE SECTION & DESCRIPTION
3066	0250	2021	13170 6	44,318.25		Court Facilities Trust Fund - GC 70353 - Court Facilities MOE
3066	0250		13170 7			Court Facilities Trust Fund - VC 42006 - Night Court Assessment & VC 42006(b)(1) - Night court fund transfer

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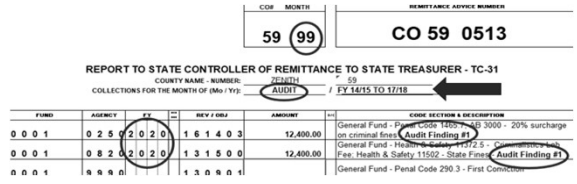
TC-31 Tips

If you are remitting due to an audit finding, please use a separate form. Enter “99” as the month code at the top, enter “Audit” in the Month field, and FY range in the Year.



COF 59 MONTH 99

REMITTANCE ADVICE NUMBER CO 59 0513

REPORT TO STATE CONTROLLER OF REMITTANCE TO STATE TREASURER - TC-31

COUNTY NAME - NUMBER: ZENITH - 59

COLLECTIONS FOR THE MONTH OF (Mo / Yr): AUDIT / FY 14/15 TO 17/18

FUND	AGENCY	FY	REV / OBJ	AMOUNT	CODE SECTION & DESCRIPTION
0001	0250	2020	161403	12,400.00	General Fund - Penal Code 1465.7, AB 3000 - 20% surcharge on criminal fines - Audit Finding #1
0001	0820	2020	131500	12,400.00	General Fund - Health & Safety 11372.5 - Criminalistics Lab Fee; Health & Safety 11502 - State Fines - Audit Finding #1
0001	9900		130901		General Fund - Penal Code 290.3 - First Conviction

Enter the prior fiscal year for non-current remittances, such as audit-related payments.

Enter the “Audit Finding number” based on the Audit Summary.

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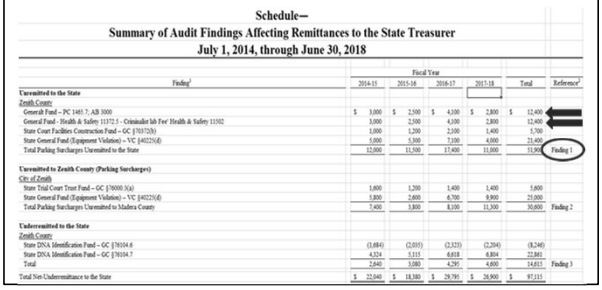
TC-31 Tips

Submit a copy of the Summary of Audit Findings schedule with the TC-31 form.



Schedule—

Summary of Audit Findings Affecting Remittances to the State Treasurer

July 1, 2014, through June 30, 2018

Finding[1]	Fiscal Year 2014-15	2015-16	2016-17	2017-18	Total	Reference[2]
Unremitted to the State						
Zenith County						
General Fund – PC 1465.7; AB 3000	$ 3,000	$ 2,500	$ 4,100	$ 2,800	$ 12,400	
General Fund - Health & Safety 11372.5 - Criminalist lab Fee/ Health & Safety 11502	3,000	2,500	4,100	2,800	12,400	
State Court Facilities Construction Fund – GC §70372(b)	1,000	1,200	2,100	1,400	5,700	
State General Fund (Equipment Violation) – VC §40225(d)	5,000	5,300	7,100	4,000	21,400	
Total Parking Surcharges Unremitted to the State	12,000	11,500	17,400	11,000	51,900	Finding 1
Unremitted to Zenith County (Parking Surcharges)						
City of Zenith						
State Trial Court Trust Fund – GC §76000.3(a)	1,600	1,200	1,400	1,400	5,600	
State General Fund (Equipment Violation) – VC §40225(d)	5,800	2,600	6,700	9,900	25,000	
Total Parking Surcharges Unremitted to Madera County	7,400	3,800	8,100	11,300	30,600	Finding 2
Underremitted to the State						
Zenith County						
State DNA Identification Fund – GC §76104.6	(1,684)	(2,035)	(2,323)	(2,204)	(8,246)	
State DNA Identification Fund – GC §76104.7	4,324	5,115	6,618	6,804	22,861	
Total	2,640	3,080	4,295	4,600	14,615	Finding 3
Total Net Underremittance to the State	$ 22,040	$ 18,380	$ 29,795	$ 28,900	$ 97,115	

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TC-31 Tips

Interest/Penalty Remittances

As a result of:

- Audit
- Delinquent Remittance – Regular Collections

Please submit separately from the regular collections.

Use the TC-31 form sent with the billing letter.

Enter the current fiscal year for all penalty/interest remittances.

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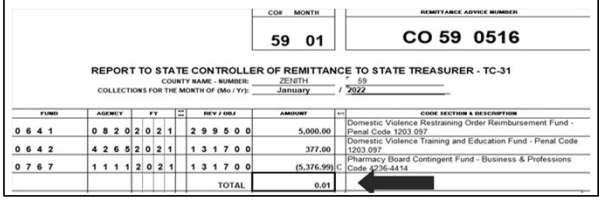
TC-31 Tips

The total amount at the bottom of each page must be a positive number.

Negative entries must be submitted with supporting documents.



CO#	MONTH	REMITTANCE ADVICE NUMBER
59	01	CO 59 0516

REPORT TO STATE CONTROLLER OF REMITTANCE TO STATE TREASURER - TC-31

COUNTY NAME - NUMBER: ZENITH - 59

COLLECTIONS FOR THE MONTH OF (Mo / Yr): January / 2022

FUND	AGENCY	FY	REV / OBJ	AMOUNT	CODE SECTION & DESCRIPTION
0641	0820	2021	299500	5,000.00	Domestic Violence Restraining Order Reimbursement Fund - Penal Code 1203.097
0642	4265	2021	131700	377.00	Domestic Violence Training and Education Fund - Penal Code 1203.097
0767	1111	2021	131700	(5,376.99) C	Pharmacy Board Contingent Fund - Business & Professions Code 4236-4414
			TOTAL	0.01	

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TC-31 Tips

Please stop using old/abolished codes and use the new codes.

OLD CODES			NEW CODES			CODE SECTIONS
FUND	AGENCY	REV/OBJ	FUND	AGENCY	REV/OBJ	
0767	1110	131700	0767	1111	131700	Pharmacy Board Contingent Fund - Business & Professions Code 4236-4414
0268	8120	125600	0903	0690	237500	Health & Safety Code 103680(b)
0200	3600	125600	3364	3600	125600	Fish & Game 711.4

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TC-31 Tips

Court Construction Fund Consolidation per GC § 70371 (b) & (c) - Effective 7/1/2021

OLD CODES			NEW CODES			CODE SECTIONS
FUND	AGENCY	REV/OBJ	FUND	AGENCY	REV/OBJ	
3138	0250	164804	3037	0250	164801	Government Code §70372(a)
3138	0250	164802	3037	0250	164802	Government Code §70373 - misdemeanor & felony
3138	0250	164803	3037	0250	164803	Government Code §70373 - infraction
3138	0250	164763	3037	0250	164763	Government Codes 68085.1(e)(4) and 68085.3(c)(1)(2)
3138	0250	161411	3037	0250	161411	Vehicle Code §40611
3138	0250	164101	3037	0250	164101	Vehicle Code §42007.1

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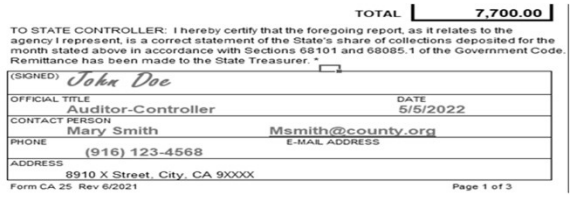
TC-31 Tips

Sign and date TC-31 forms. The signature on the TC-31 forms may be an original wet signature, electronic signature, or a signed and scanned copy. Unsigned forms are not processed.

Complete all fields clearly at the bottom of the TC-31 form.



TOTAL 7,700.00

TO STATE CONTROLLER: I hereby certify that the foregoing report, as it relates to the agency I represent, is a correct statement of the State's share of collections deposited for the month stated above in accordance with Sections 68101 and 68085.1 of the Government Code. Remittance has been made to the State Treasurer. "

(SIGNED) John Doe

OFFICIAL TITLE: Auditor-Controller

DATE: 5/5/2022

CONTACT PERSON: Mary Smith

E-MAIL ADDRESS: Msmith@county.org

PHONE: (916) 123-4568

ADDRESS: 8910 X Street, City, CA 9XXXX

Form CA 25 Rev 6/2021 Page 1 of 3

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TC-31 Submission

Submit your TC-31 forms to:

OR

State Treasurer
Cash Management Division
915 Capitol Mall, Room 319
Sacramento, CA 95814

State Treasurer
Cash Management Division
P.O. Box 942809
Sacramento, CA 94209-0001

DO NOT submit your TC-31 forms to the State Controller's Office.

For electronic payment inquiries, please email STO:
CTSMD_In_Out_Wires@treasurer.ca.gov
cc: finserv@treasurer.ca.gov

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TC-31 Contacts

Tax Accounting Unit:
lgpsdtaxccounting@sco.ca.gov
Marieta Delfin – MDelfin@sco.ca.gov
Agboo Abeywickrama – AAbeywickrama@sco.ca.gov

Tax Programs Unit (Court Revenue Audit Questions):
lgpsdtaxprograms@sco.ca.gov
Lacey Baysinger – LBaysinger@sco.ca.gov
Ying Dong – YDong@sco.ca.gov

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Questions?

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SCO Audits

Doug Brejnak, Auditor

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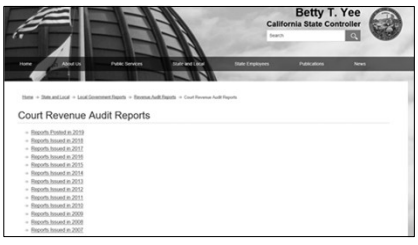
SCO Court Revenue Audits

Court Revenue Audit Reports can be found at:
http://www.sco.ca.gov/aud_court_revenues.html



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Agenda

- Status of Audits
- Common Audit Findings
- Audit Tips

BETTY T. YEE
California State Controller
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Court Revenue Audits
Status of Audits

- Final reports issued: 11
- Reports in process: 5
- Audits in progress: 10
- Next in queue:

○ Humboldt County	○ Yolo County
○ Mariposa County	○ Mendocino County

Fiscal year through March 31, 2022

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Common Audit Findings

- Top-Down Distributions
- 50-50 Excess of Qualified Revenues Calculation
- Priority of Installment Payments

BETTY T. YEE
California State Controller
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Top-Down Distributions

Judge Ordered total fines are not consistently distributed using the two JCC approved Top-Down Distribution methods

Two Distribution Methods

1) Reduce all components proportionately, including those with a specified dollar amount (i.e., court operations assessment and criminal conviction assessment)
2) Allocate the full amount to those components with a specified dollar amount, then pro-rate the remaining balance among the rest of the total fine's components.

Common Issues

- The selected method must be used consistently.
- If the total fine imposed is less than the fixed amounts, the first method should be used.
- When using the second method, the remaining balance after allocating to components with specified dollar amounts should be pro-rated evenly amongst the remaining components.

BETTY T. YEE
California State Controller
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50-50 Excess Calculation

Underremittance due to errors in the calculation of qualified revenues

Calculate the revenue the county general fund has received from the eight specified fines, fees, and forfeitures in GC §77205; compare that amount to the statutory threshold listed in GC §77201.1; and remit 50% of the difference to State Trial Court Improvement and Modernization Fund and 50% to the County General Fund.

QUALIFIED REVENUE IN GC §77205	AMOUNT TO BE CALCULATED INTO MOE PAYMENTS
PC §1463.001 Base Fines	For county arrests, 75% of base fines and forfeitures (other than parking and H&S base fine). For city arrests, 75% of base fines and forfeitures (other than parking and H&S base fine) from the county percentage as listed in PC §1463.002.
PC §1464 - State Penalty	30% of county share of the state penalty deposited into the County General Fund.
VC §42007 - Traffic Violator School (TVS) Fee	77% of TVS fee collections deposited into the County General Fund.
VC §42007.1 – Traffic Violator School (TVS) Fee	$24 TVS fee deposited to the County General Fund.
GC §27361(b) - Recording and Indexing Fee	100% of collections of the $1 fee pursuant to GC §27361(b) deposited to the County General Fund.
PC §1463.07 - Administrative Screening and Citation Processing fee *Formerly GC §29550(f)	100% of collections deposited to the County General Fund.
GC §76000(c) – County General Fund portion of county parking penalty	100% of collections of the $2 portion of every parking fee deposited to the County General Fund.

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50-50 Excess Calculation

Common Calculation Errors

VC §42007 – Traffic Violator School Fee

- **Only 77% of the TVS Fee** to the County General Fund shall be included in the qualified revenues calculation.
- Include the following revenues collected from **TVS cases**:
  - VC 42007 TVS Fee;
  - GC 76100 Courthouse Construction Fund;
  - GC 76101 Criminal Justice Facilities Construction Fund;
  - GC 76104 Emergency Medical Services Fund;
  - GC 76000.5 Emergency Medical Services Fund; and
  - VC 42007(c) city base fines.
- Use resources included in the JCC's annual instructions.

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Priority of Installment Payments

Courts and counties are not consistently distributing revenues received from installment payments according to PC section 1203.1d.

PC section 1203.1d requires a mandatory prioritization in the distribution of installment payments as follows:

1. Restitution Orders to victims;
2. 20% state surcharge;
3. Fines, penalty assessments, and restitution fines; and
4. Other reimbursable costs.

Common Issues

- Priority 3 revenues should be fully distributed before any distributions to Priority 4 revenues.
- GC 70373 Criminal Conviction Assessment and PC 1465.8 Court Operations Assessment.
- County/Court/Collection/Probation Fees.

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Tips to Prepare for an Audit

- Collection Reports
- 50-50 Excess of Qualified Revenues
- Parking Fees and Surcharges
- Distribution Testing
- Board of Supervisor's Resolutions
- Prior Audit Findings
- TC-31 Remittance Forms

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SCO Distribution Contact Information

If you have any questions related to trial court revenue distribution, please email LocalGovPolicy@sco.ca.gov

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Questions?

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Training Recap

Today we have covered the following:

- Updates to distribution resources
- Resource materials for distributions, calculations, analysis, and research
- Legislative updates
- Collections updates
- Audit issues from the SCO

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Resources and Contacts

Training Materials:
http://www.courts.ca.gov/revenue-distribution.htm

Court-Related Legislation:
http://www.courts.ca.gov/4121.htm

California Legislative Information:
http://leginfo.legislature.ca.gov

Judicial Council, Funds and Revenues Unit
Collections@jud.ca.gov
RevenueDistribution@jud.ca.gov

State Controller's Office, Local Government Programs and Services Division
LocalGovPolicy@sco.ca.gov

Franchise Tax Board, COD and IIC Programs
CODClientServices@ftb.ca.gov
iicgroup@ftb.ca.gov

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Training Evaluation

SurveyMonkey: https://www.surveymonkey.com/r/2022SpringPlenary

Training certificate: revenuedistribution@jud.ca.gov

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Training Topics

Most requested topics:

- #1 Discharge from accountability (28%)
- #2 Cost recovery (22%)
- #3 Revenue distribution (21%)

Source: 2020-21 Collections Reporting Template

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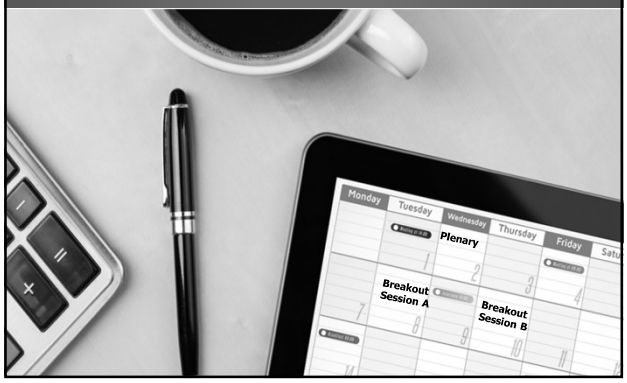
2023 Training Sessions



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