

# 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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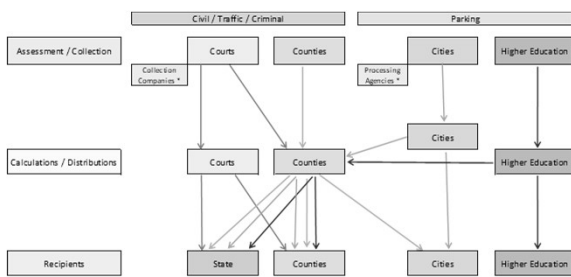
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# The Process...



\* 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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## TRIAL COURT REVENUE DISTRIBUTION GUIDELINES DISTRIBUTION WORKSHEETS

LEGINFO

# RESOURCES

FAQs

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

PowerPoint Presentations

Resources & Links

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

CROSSWALK

Uniform Bail &  
Penalty Schedules

JCC, SCO and FTB staff

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## Faculty

### Judicial Council

#### Governmental Affairs:

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#### Criminal Justice Services:

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**Faculty (cont'd)**

**Franchise Tax Board**

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**Interagency Intercept Collections:**  
 Arlene Cochrane, Administrator I      Arlene.Cochrane@ftb.ca.gov

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**Faculty (cont'd)**

**State Controller's Office**

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**Public Mailbox:**      LocalGovPolicy@sco.ca.gov

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**Subject Matter Experts**

Merced Superior Court	Ventura Superior Court
Keri Brasil, Chief Financial Officer	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**  
DECEMBER 2021

During the first year of the 2021-2022 Legislative Session, the Legislature and Governor enacted numerous bills that affect the courts in one of several ways 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 chapter form in the California Legislative Service or California Drilling's Online Legislative Service, where they are published by chapter number. In addition, approved bills and legislative committee analyses can be accessed at the internet at <http://leginfo.ca.gov>. Individual chapters may be ordered directly from the Legislative Bill Room, State Capitol, 3000 Street, Room 302, Sacramento, California 95834, 916-445-3123.

1	Administrative
2	Appellate Procedure
3	California Environmental Quality Act
4	Civil Justice
5	Civil Procedure
6	Code of Judicial Branch
7	Court and Branch Operations
8	Court Records
9	CRPJ (C) - Revenue Matter
10	Criminal Law and Procedure
11	Family Law
12	Finance, Fees, Collections, Distribution
13	General Offense or Judicial Decision
14	Law
15	Lawrence County
16	Labor and Employment
17	Mental Health
18	Probate
19	Provision Orders
20	Public Access of Court Records
21	Public Safety
22	Public Works
23	Public Works
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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 Vetoes (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: \$93k.



### 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


Interested 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.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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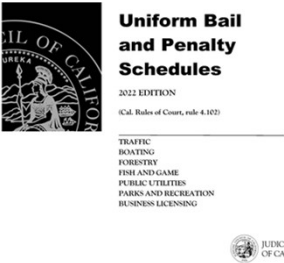
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Uniform Bail and Penalty Schedules  
(UBPS)



**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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**DETOUR** →

## What is Bail?

**"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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## 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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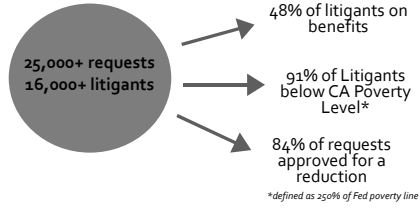
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# ATP System Data

ATP Pilot Program 4/19-6/21



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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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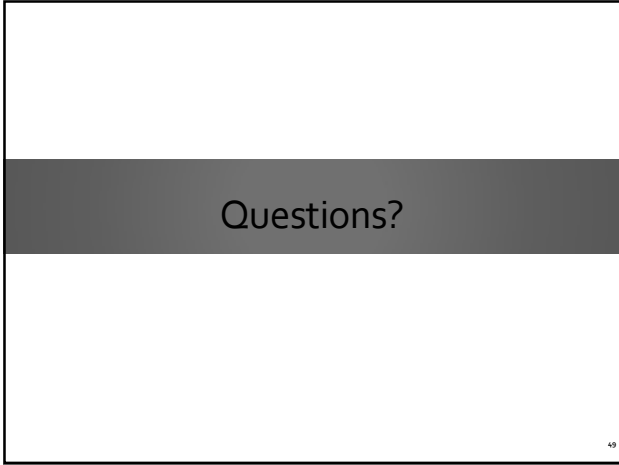
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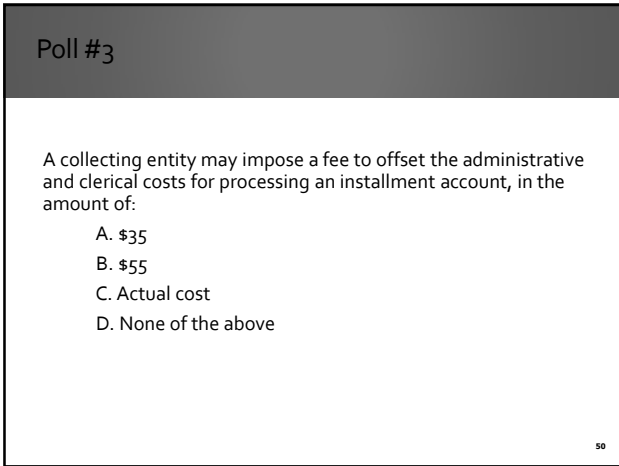
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Collections

*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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## 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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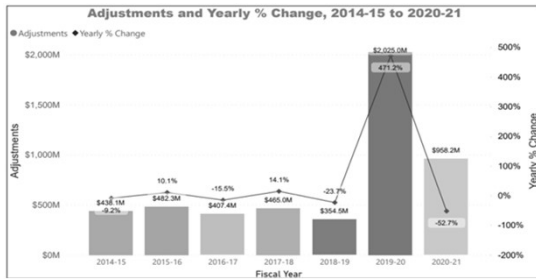
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## Adjustments

Metric: Adjustment Score  
2020-21 Statewide Score: 100.16



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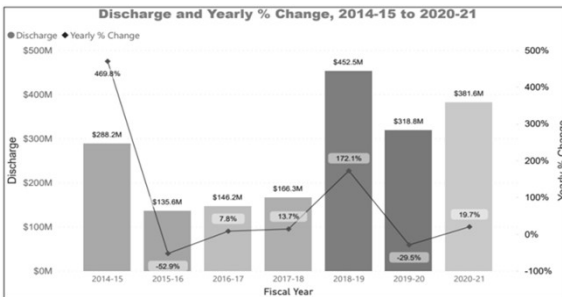
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## Discharge from Accountability

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 so

**\$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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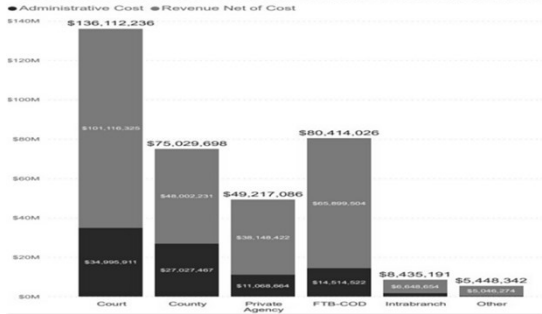
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## Administrative Cost

Delinquent Revenue and Administrative Cost by Program



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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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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



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

Non-Tax Debt Collection | Franchise Tax Board 71

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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).

Non-Tax Debt Collection | Franchise Tax Board 72

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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.

Non-Tax Debt Collection | Franchise Tax Board 73

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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.

Non-Tax Debt Collection | Franchise Tax Board 74

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**Enrollment**

- Memorandum of Understanding
- Onboarding
- Testing

Non-Tax Debt Collection | Franchise Tax Board 75

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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

Non-Tax Debt Collection | Franchise Tax Board 76

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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

Non-Tax Debt Collection | Franchise Tax Board 77

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## Automated System Process

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graph TD
    A[Receive Client Files via SWIFT  
(daily, weekly, monthly)] --> B[Case Load Process  
(NCOAs, DMV, TI,  
SSN Validation*)]
    B --> C[Create Accounts]
    C --> D[Begin Collection Cycle  
Issues Notices]
    D --> E[Provide Account  
Actions to Clients]
    E --> F[Return Uncollectible  
Cases and Closed  
Accounts]
  
```

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

Non-Tax Debt Collection | Franchise Tax Board 78

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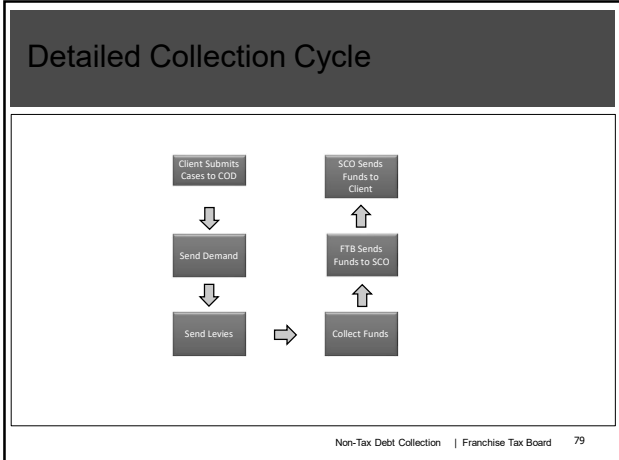
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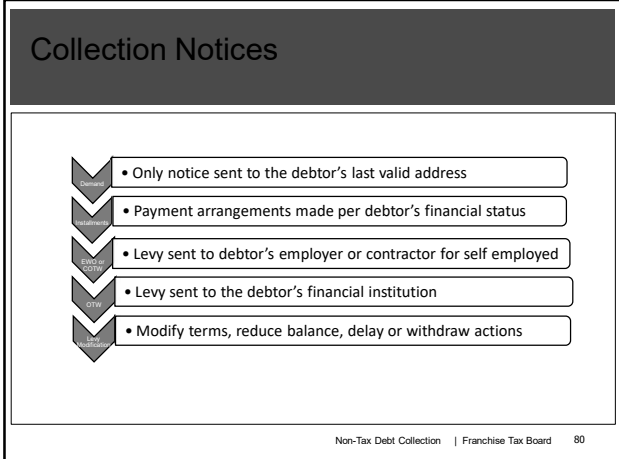
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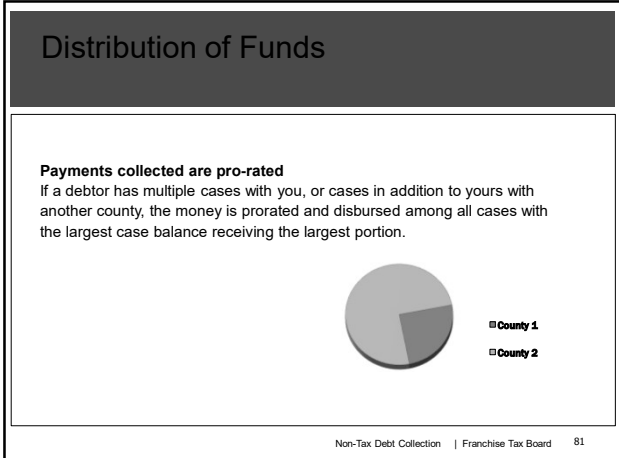
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## Aged Case Recall Process

- 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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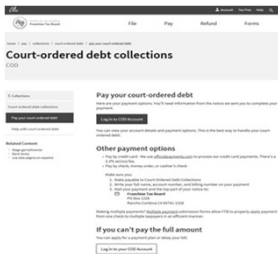
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## Online Services



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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		Instalment Agreements	46,447
Withdrawn Cases	46,369		Bank Levies	170,397
Returned Cases	385,121		Wage Garnishments	435,394
Net Inventory Change	(78,049)		<b>Total Collection Activities</b>	<b>1,335,130</b>



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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](mailto:CODClientServices@ftb.ca.gov)

Non-Tax Debt Collection | Franchise Tax Board 88

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**Contact Information**

- Jennifer Jacobsen, Program Supervisor  
• 916.845.5118, [Jennifer.Jacobsen@ftb.ca.gov](mailto:Jennifer.Jacobsen@ftb.ca.gov)
- Shannon Servando, Program Supervisor  
• 916.845.6093, [Shannon.Servando@ftb.ca.gov](mailto:Shannon.Servando@ftb.ca.gov)
- Rashan Anderson, Program Supervisor  
• 916.845.5238, [Rashan.Anderson@ftb.ca.gov](mailto:Rashan.Anderson@ftb.ca.gov)
- Crystal Berrian, Program Manager  
• 916.845.3546, [Crystal.Berrian@ftb.ca.gov](mailto:Crystal.Berrian@ftb.ca.gov)

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**Questions?**

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 STATE OF CALIFORNIA  
 Franchise Tax Board

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## Interagency Intercept Collection

Program Overview



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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
<b>Total</b>	<b>302,889</b>	<b>\$147,851,217</b>

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: [ITCgroupIncoming@ftb.ca.gov](mailto:ITCgroupIncoming@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](mailto: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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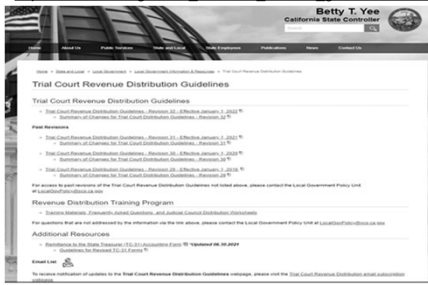
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## SCO Trial Court Website

The Trial Court Revenue Distribution Guidelines can be found at:  
[http://www.sco.ca.gov/ard\\_trialcourt\\_manual\\_guidelines.html](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](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

State of California  
**Trial Court Revenue  
Distribution Guidelines**  
Revision 32  
*Updated as of January 1, 2022*



BETTY T. YEE  
California State Controller's Office

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

$$\begin{aligned} &\text{Base Fine + Base Fine Enhancements} \\ &= \\ &\quad \text{Total Base Fine} \\ &+ \\ &\text{Penalties (State, Local, EMS, DNA, Construction, etc.)} \\ &+ \\ &\quad \text{State Surcharge} \\ &+ \\ &\quad \text{Fees and Assessments} \\ &= \\ &\quad \text{Total Bail or Fine} \end{aligned}$$

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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..."

<b>Base Fine:</b>	<b>\$ 35</b>
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
<b>Total Penalties:</b>	<b>\$116</b>
<b>State Surcharge</b> (\$35 x 20%):	<b>\$ 7</b>
Criminal Conviction Assessment:	\$ 35
Court Operations Assessment:	\$ 40
EMAT Penalty:	\$ 4
<b>Total Assessments:</b>	<b>\$ 79</b>
<b>TOTAL BAIL/FINE:</b>	<b>\$237</b>

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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](http://www.sco.ca.gov/ard_trialcourt_manual_guidelines.html).

**Step Four:** Contact us at [LocalGovPolicy@sco.ca.gov](mailto:LocalGovPolicy@sco.ca.gov).

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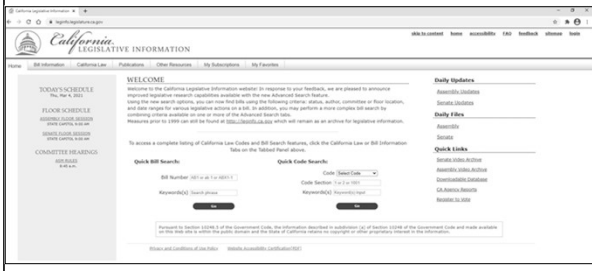
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## Legislative Information: LegInfo

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



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## Reading Entries in the Guidelines

CODE SECTION	VIOLATION/SITUATION	DISTRIBUTION	APPLICABLE FUND	FUND USE/SPECIAL PROVISION
CC 1798.155- California Consumer Privacy Act  <i>Effective January 1, 2020</i>	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 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.

(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. 2) by Stats. 2018, Ch. 735, Sec. 12 (SB 1127) Effective September 23, 2018; Section operative January 1, 2020, pursuant to Section 1798.158.)

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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)

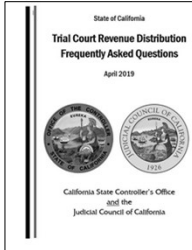
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## Frequently Asked Questions (FAQ)

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.



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## 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](mailto:LocalGovPolicy@sco.ca.gov)



**BETTY T. YEE**  
California State Controller

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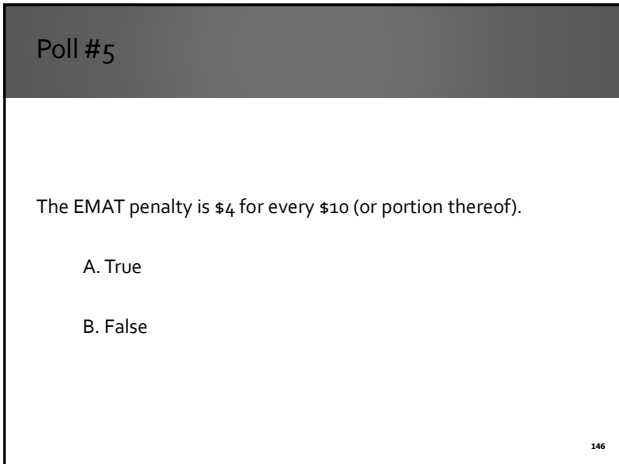
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## TC-31 Tips

### 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	COF MONTH	REMITTANCE ADVICE NUMBER
59 04	CO 59 0509	59 04	CO 59 0510

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
0 0 0 1	0 2 5 0 2 0 2 1		1 6 1 4 0 3	1,000.00	General Fund - Penal Code 1465.7, AB 3000 - 20% surcharge on criminal fines
0 0 0 1	0 8 2 0 2 0 2 1		1 3 1 5 0 0	500.50	General Fund - Health & Safety 11372.5 - Criminalistics Lab Fee, Health & Safety 11502 - State Fines
0 0 0 1	9 9 9 0 0		1 3 0 9 0 1		General Fund - Penal Code 290.3 - First Conviction

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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
0 0 0 1	0 2 5 0 2 0 2 1		1 6 1 4 0 3	1,000.00	General Fund - Penal Code 1465.7, AB 3000 - 20% surcharge on criminal fines
0 0 0 1	0 8 2 0 2 0 2 1		1 3 1 5 0 0	500.50	General Fund - Health & Safety 11372.5 - Criminalistics Lab Fee, Health & Safety 11502 - State Fines
0 0 0 1	9 9 9 0 0		1 3 0 9 0 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
3 0 6 6	0 2 5 0 2 0 2 1		1 3 1 7 0 6	44,318.25	Court Facilities Trust Fund - GC 70353 - Court Facilities MOE
3 0 6 6	0 2 5 0		1 3 1 7 0 7		Court Facilities Trust Fund - VC 42006 - Night Court Assessment & VC 42006(h)(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.

COR MONTH	REMITTANCE SERVICE NUMBER
59 99	CO 59 0513

REPORT TO STATE CONTROLLER OF REMITTANCE TO STATE TREASURER - TC-31  
 COUNTY NAME - NUMBER: 59 / 99  
 COLLECTIONS FOR THE MONTH OF (MO / YR): AUDIT / FY 14/15 TO 17/18

FUND	AGENCY	FA	MO	REV F OBJ	AMOUNT	CODE SECTION & DESCRIPTION
0 0 0 1	0 2 5 0	2 0 2 0		1 6 1 4 0 3	12,400.00	General Fund - Penal Code 14067.5 - AB 3000 - 20% surcharge on criminal fines - <b>Audit Finding #1</b>
0 0 0 1	0 8 2 0	2 0 2 0		1 3 1 5 0 0	12,400.00	General Fund - Health & Safety 11502 - State Fine - <b>Audit Finding #1</b>
0 0 0 1	0 0 0 0			1 3 0 0 0 1		General Fund - Penal Code 290.3 - First Commission

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 <sup>1</sup>	Fiscal Year				Total	Reference <sup>2</sup>
	2014-15	2015-16	2016-17	2017-18		
<b>Unreconciled to the State</b>						
<b>Zachry County</b>						
General Fund - PC 14067.5 - AB 3000	\$ 3,000	\$ 2,500	\$ 4,000	\$ 2,800	\$ 12,400	
General Fund - Health & Safety 11502.1 - Criminals' Tax For Health & Safety 11502	3,000	2,500	4,000	2,800	12,400	
State General Fund (Equipment Violation) - VC 140225.0	3,000	2,500	2,500	1,400	9,500	
State General Fund (Equipment Violation) - VC 140225.0	3,000	1,300	3,000	4,000	11,400	
Total Parking Penalties Unreconciled to the State	12,000	11,500	13,500	11,000	48,000	<b>Finding 1</b>
<b>Unreconciled to Zachry County (Parking Penalties)</b>						
City of Zachry						
State Delinquent Tax Fund - GC 13000.50	1,400	1,200	1,400	1,400	5,400	
State General Fund (Equipment Violation) - VC 140225.0	1,800	2,000	6,700	8,900	19,400	
Total Parking Penalties Unreconciled to Zachry County	3,200	3,200	8,100	10,300	24,800	<b>Finding 2</b>
<b>Unreconciled to the State</b>						
<b>Zachry County</b>						
State DNA Identification Fund - GC 17034.6	(1,650)	(5,000)	(2,250)	(2,250)	(11,150)	
State DNA Identification Fund - GC 17034.7	4,254	1,115	6,615	6,804	18,788	
Total	2,604	3,085	4,365	4,600	14,654	<b>Finding 3</b>
Total Due Unreconciled to the State	\$ 22,400	\$ 18,185	\$ 28,765	\$ 26,000	\$ 95,350	

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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.

	COB MONTH <b>59 01</b>	REMITTANCE ADVISE NUMBER <b>CO 59 0516</b>			
<b>REPORT TO STATE CONTROLLER OF REMITTANCE TO STATE TREASURER - TC-31</b>					
COUNTY NAME NUMBER: 221074 / 01					
COLLECTIONS FOR THE MONTH OF (Mo / Yr): January / 2022					
FUND	AGENCY	FF	REV / OBJ	AMOUNT	CODE SECTION & DESCRIPTION
0 6 4 1	0 8 2 0 2	0 2 1	2 9 9 5 0 0	5,000.00	Domestic Violence Restraining Order Reimbursement Fund - Penal Code 1203.097
0 6 4 2	4 2 6 0 2	0 2 1	1 3 1 7 0 0	377.00	Domestic Violence Training and Education Fund - Penal Code 1203.097
0 7 6 7	1 1 1 1 2	0 2 1	1 3 1 7 0 0	(5,376.99)	Pharmacy Board Contingent Fund - Business & Professions Code 4236.4414
<b>TOTAL</b>				<b>0.01</b>	

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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) <i>John Doe</i>	DATE
OFFICIAL TITLE Auditor-Controller	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
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**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](mailto:CTSMD_In_Out_Wires@treasurer.ca.gov)  
cc: [finserv@treasurer.ca.gov](mailto:finserv@treasurer.ca.gov)

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## TC-31 Contacts

**Tax Accounting Unit:**

[lgpsdtaxaccounting@sco.ca.gov](mailto:lgpsdtaxaccounting@sco.ca.gov)

Marieta Delfin – [MDelfin@sco.ca.gov](mailto:MDelfin@sco.ca.gov)

Agboo Abeywickrama – [AAbeywickrama@sco.ca.gov](mailto:AAbeywickrama@sco.ca.gov)

**Tax Programs Unit (Court Revenue Audit Questions):**

[lgpsdtaxprograms@sco.ca.gov](mailto:lgpsdtaxprograms@sco.ca.gov)

Lacey Baysinger – [LBaysinger@sco.ca.gov](mailto:LBaysinger@sco.ca.gov)

Ying Dong – [YDong@sco.ca.gov](mailto: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](http://www.sco.ca.gov/aud_court_revenues.html)



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## Agenda

- Status of Audits
- Common Audit Findings
- Audit Tips



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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:
 

<input type="radio"/> Humboldt County	<input type="radio"/> Yolo County
<input type="radio"/> Mariposa County	<input type="radio"/> 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



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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.



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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 MDK PAYMENTS
PC §1463.002 Base Fines	For county arrests, 75% of base fines and forfeitures (other than parking and M&S base fine). For city arrests, 75% of base fines and forfeitures (other than parking and M&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 *Harris VC §295500	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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California State Controller  
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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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California State Controller  
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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



**BETTY T. YEE**  
California State Controller  
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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](mailto:LocalGovPolicy@sco.ca.gov)



**BETTY T. YEE**  
California State Controller  
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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](mailto:Collections@jud.ca.gov)  
[RevenueDistribution@jud.ca.gov](mailto:RevenueDistribution@jud.ca.gov)

**State Controller's Office, Local Government Programs and Services Division**  
[LocalGovPolicy@sco.ca.gov](mailto:LocalGovPolicy@sco.ca.gov)

**Franchise Tax Board, COD and IIC Programs**  
[CODClientServices@ftb.ca.gov](mailto:CODClientServices@ftb.ca.gov)  
[iicgroup@ftb.ca.gov](mailto:iicgroup@ftb.ca.gov)

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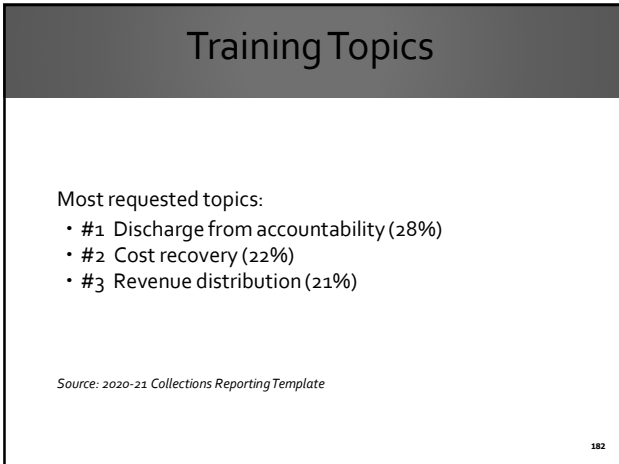
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