Revenue Distribution Training Spring 2023

May 16, 2023

1

Opening Remarks

Kathleen Webb, Chief Operating Officer,
State Controller's Office

Zlatko Theodorovic, Director,
Budget Services, Judicial Council

2

Mute the mic.

Turn off camera.

...or use "Chat" feature to share information/ask question(s).

Your feedback is welcome!

Housekeeping

3

Training Agenda

- Introduction
- Legislative updates
- Franchise Tax Board Program Overview
- Collections updates
- Trial Court Revenue Distribution Guidelines
- TC- 31 Form
- Distribution Audit Issues

4

Introduction to Distributions

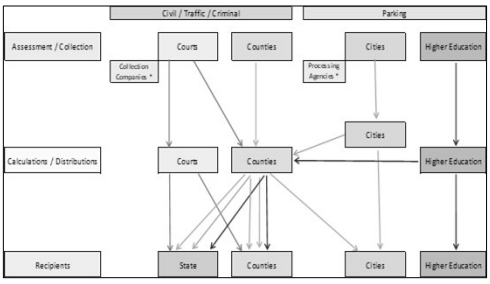
HISTORY

COMPLEX INTERRELATIONSHIPS

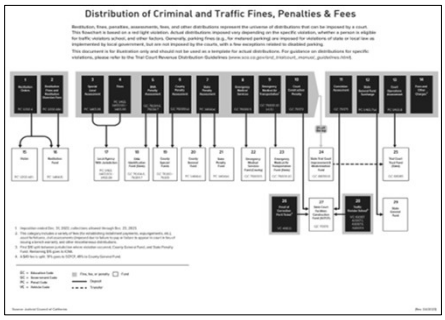
RESOURCES

5

Interrelationships



6



7

- Court-ordered Debt Taskforce
  - Established 2011
  - Penal Code 1463.02(b)
- Representatives from various state entities, counties, courts, cities, and other external organizations
- Evaluate and make recommendations to the Judicial Council and the Legislature for consolidating and simplifying the imposition of criminal and traffic-related court-ordered debts and the distribution of the revenue derived from those debts with the goal of improving the process for those entities that benefit from the revenues…

8

[redacted]

DISTRIBUTION WORKSHEETS

RESOURCES TC-81

CONTENT

Breakout Session B
Case studies/worksheets

PowerPoint Presentations

Resources & Contacts

FAQs

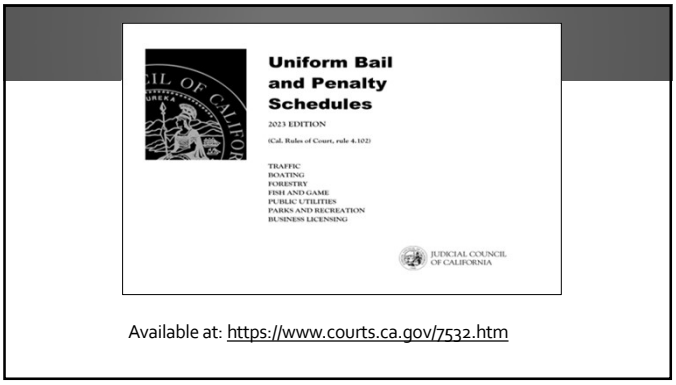
CROSSWALK

Uniform Bail & Penalty Schedules

JCC, SCO and FTB staff

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

9



Available at: https://www.courts.ca.gov/7532.htm

10

11

PRESENTERS:

Judicial Council

Governmental Affairs:
Morgan Lardizabal, Legislative Advocate

Criminal Justice Services:
Martha Wright, Manager

Funds and Revenues:
Donna Newman, Budget Supervisor
Maria Lira, Senior Analyst
Don Lowrie, Fiscal Analyst
Nicholas Duffy, Fiscal Analyst

Franchise Tax Board

Court-Ordered Debt Program:
Lorena Benavidez, Program Supervisor

Interagency Intercept Collections (IIC) Program:
Rikki Saldana, Program Supervisor

State Controller's Office

Local Government Programs and Services Division:
Marieta Delfin, Supervisor
Henry Mathews, Policy Analyst

Division of Audits:
Douglas Brejnak, Staff Management Auditor

12

Subject Matter Expert:

Martha Wright, Manager

Criminal Justice Services, Judicial Council

Ability to Pay Program

13

Legislative Updates

Morgan Lardizabal, Legislative Advocate

14

Court Related Legislation

- Annual summary
  - 2022 = 198 enacted bills
- Available on courts.ca.gov

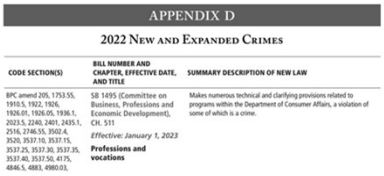
Court-Related Legislation

JUDICIAL COUNCIL OF CALIFORNIA • GOVERNMENTAL AFFAIRS

DECEMBER 2022

15

New & Expanded Crimes Chart



APPENDIX D

2022 New and Expanded Crimes

CODE SECTION(S)	BILL NUMBER AND CHAPTER, EFFECTIVE DATE, AND TITLE	SUMMARY DESCRIPTION OF NEW LAW
BPC amend 205, 1753.55, 1910.5, 1922, 1926, 1926.01, 1926.05, 1936.1, 2023.5, 2240, 2401, 2435.1, 2516, 2746.55, 3502.4, 3520, 3537.10, 3537.15, 3537.25, 3537.30, 3537.35, 3537.40, 3537.50, 4175, 4846.5, 4883, 4980.03,	SB 1495 (Committee on Business, Professions and Economic Development), CH. 511 *Effective: January 1, 2023* **Professions and vocations**	Makes numerous technical and clarifying provisions related to programs within the Department of Consumer Affairs, a violation of some of which is a crime.

Includes any associated fine, fee, and penalty changes

16

Current Legislative Stats

- Introduced bills: 2,920
  - Assembly: 1,905
  - Senate: 1015
- Government Affairs tracking about 25%
- Fiscal bills: ~400
  - Suspense bills: 237

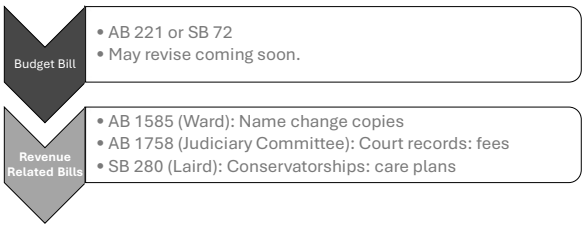
17

Important Court Related Bills

- AB 959 (McCarty): Courts
- Remote proceedings:
  - SB 21(Umberg)
  - SB 22 (Umberg)
  - SB 99 (Umberg)
  - AB 1214 (Maienschein)
- SB 75 (Roth): Judgeships
- SB 255 (Umberg): Court notification system
- SB 662 (Rubio): Court reporters (Electronic Recording)

18

Revenue Distribution?



19

Poll #1

If assessed before December 31, 2022, the $4 EMAT penalty can be collected until:

a. July 31, 2023

b. September 30, 2023

c. December 31, 2023

d. Indefinitely

20

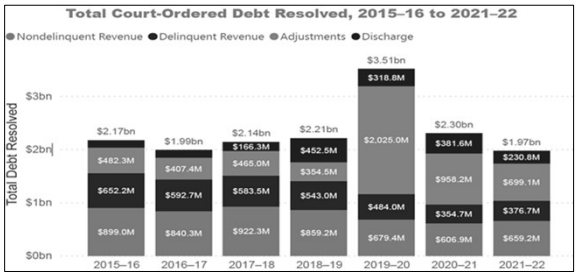
Collections Updates

Don Lowrie, Budget Analyst

Maria Lira, Budget Analyst

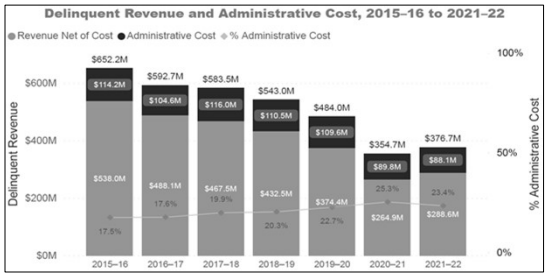
21

Collections Highlights



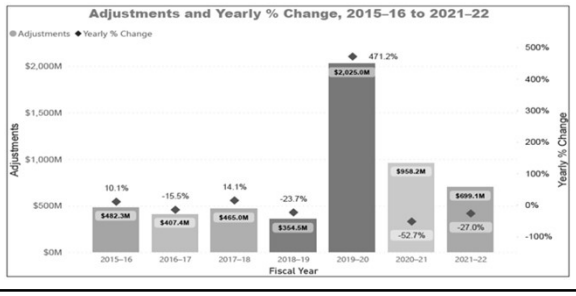
22

Delinquent Revenue and Cost



23

Adjustments



24

Poll # 2

Do you know why Adjustments reported in 2019-20 were significantly higher than prior years?

a. Changes in statute

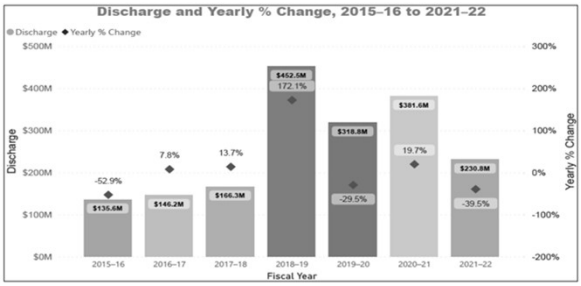
b. Judicial discretion

c. More programs discharged debt

d. Special dispensation due to the many wildfires

25

Discharge from Accountability



26

Discharge Facts

Discharge is authorized and can be approved by responsible collecting entity

(Government Code § 25257 and 25259.7)

Discharge relieves entity of obligation to actively pursue the debt, but individual remains liable for payment.

Discharge any balance too small to justify collections cost or likelihood of collection does not warrant the expense.

Discharge provides realistic accounting of outstanding debt.

27

Discharge Data

$2,253,624,080 Amount discharged since 2012

2010 Year legislation authorized courts to approve discharge

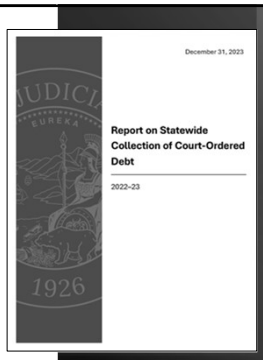
14 Number of collection programs that have discharged $0

$7.7B Total statewide uncollected delinquent debt (as of June 30, 2022)

21% Unpaid balance held by 14 programs with no discharge process implemented

28

- No changes to 2022-23 Collections Reporting Template (CRT)
- CRT is due by September 1
- Online CRT training, June 14, 2023
- Pre-filled CRT, mid-July



29

Common Reporting Issues

- Missing data
- Incorrect data
- Repeated (carry over) data
- Dated (old) information
- No comments on Performance

30

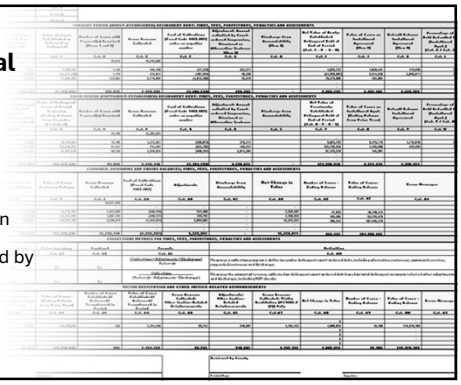
Contact and Other Information

- ✓ Missing data (e.g., revenue, costs)
- ✓ Collections activities NOT reported
- ✓ Activities checked/un-checked NOT current
- ✓ Totals NOT reconciled with Annual Financial Report

31

Annual Financial Report

- ✓ Missing data
  - ✓ Case counts
  - ✓ Victim restitution
- ✓ Data NOT separated by Period



32

Performance Report

Comments are:

- ✓ NOT provided
- ✓ Lengthy
- ✓ Inconsistent with current performance

Court/County - Alameda

Use the space below to discuss your collection program.

Please provide any comments on your Gross Recovery Rate or Success Rate for the reporting period, by Current Period, Prior Periods Inventory, and Combined.

Please see attached addendum.

Please explain the extent of your reporting capabilities in terms of providing the information required by GC§8514. If data cannot be provided at this time or if the reported data differs from the Instructions, please describe the submitted data and any plans for providing this information in the future.

Please see attached addendum.

Additional operational information about your collections program for the reporting period.

Please see attached addendum.

33

- **Update** systems
- **Share** information
- **Implement** *new* processes
- **Report** complete, accurate data
- **Improve** operational performance

34

Poll #3

Court ordered fees that are vacated per statute should be reported as “discharged” on CRT.

a. True

b. False

35

Ability to Pay (ATP) Update

Nicholas Duffy, Fiscal Analyst

36

MyCitations program's pilot period ran from April 2019 through July 2021

The tool enables the court to manage successful resolution of cases = lower caseloads overall

That evaluation found litigants are more likely to repay in full as the amount ordered decreases

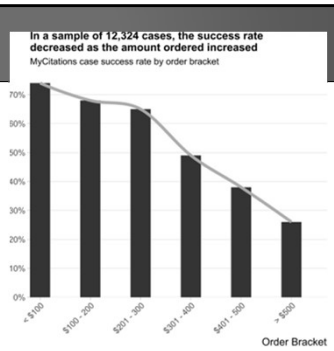
Cases granted a reduction had a 61% success rate for full repayment

Cases denied relief had only a 29% success rate

37

MEASURING SUCCESS: Repayment

- Success rate expresses the proportion of cases that are fully repaid by the due date set by the court.
- The number of cases that successfully repay their infraction debt increases as the amount ordered decreases.



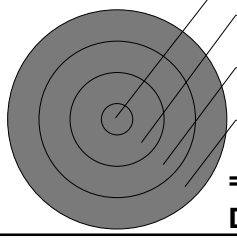
38

As of today 29 Courts have been onboarded

AMADOR	BUTTE	FRESNO	GLENN	HUMBOLDT	IMPERIAL	LASSEN	MADERA
MENDOCINO	MERCED	MODOC	MONO	MONTEREY	NEVADA	PLACER	SAN BENITO
SAN FRANCISCO	SAN JOAQUIN	SAN LUIS OBISPO	SAN MATEO	SANTA CLARA	SANTA CRUZ	SHASTA	SIERRA
SISKIYOU	TRINITY	TULARE	VENTURA	YOLO			

39

2021-22 Backfill figures:
(GC 68645.7)



- $7,000 to Fund 3066 Court Facilities Trust Fund
- $78,000 to Fund 0159 State Trial Court Improvement and Modernization Fund
- $1,041,000 to Fund 3037 State Court Facilities Construction Fund
- $2,307,000 to Fund 0932 Trial Court Trust Fund

=$3,433,000 Distributed to Courts

40

Find out when your Court begins onboarding by going to the ATP SharePoint site:

https://calcourts02.sharepoint.com/sites/ATPStatewideRollOut

Criminal Justice Services Ability to Pay Report to Judicial Council:

https://jcc.legistar.com/View.ashx?M=F&ID=11695191&GUID=70B48C8A-FE60-48DB-8137-320B528E107D

41

FTB EST 1929

STATE OF CALIFORNIA
Franchise Tax Board

42

STATE OF CALIFORNIA
Franchise Tax Board

Court-Ordered Debt Collection Program Overview

Lorena Benavidez, Court-Ordered Debt Collection

May 2023

COD
Court-Ordered Debt Collections

43

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

44

Background

1994, the California State Legislature authorized the Franchise Tax Board to collect delinquent court-ordered debt as a pilot program.

2004, the Legislature made the program permanent and expanded it statewide. (California Revenue and Taxation Code Sections 19280–19282).

45

COD Poll # 1

The Court-Ordered Debt Program has been in existence since which year?

a. 2004
b. 2001
c. 1994
d. 1992

46

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.

47

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.

48

Enrollment

- Memorandum of Understanding
- Onboarding
- Testing

49

COD Poll # 2

How often would you have to renew your contract with COD?

a. Every year
b. Every three years
c. Every ten years
d. Never

50

Debt Criteria

The following criteria must be met when submitting cases:

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

51

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

52

Collection Notices

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

53

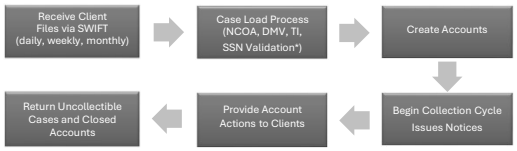
COD Poll # 3

What collection notices does FTB Court-Ordered Debt issue?

a. Bank Levies
b. Wage Garnishments
c. Demands
d. All the above

54

Automated System Process



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

55

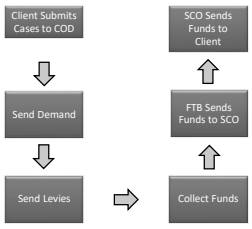
COD Poll # 4

What system do you use to adjust balances, submit cases or withdrawal from FTB Court-Ordered Debt?

a. WAVE system
b. SWIFT system
c. VOICE system
d. COD system

56

Detailed Collection Cycle



57

COD Poll # 5

How many total cases/case adjustments can you send to FTB Court-Ordered Debt per day?

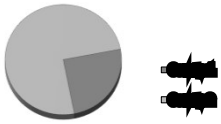
a. 5,000
b. 10,000
c. 15,000
d. 20,000

58

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.



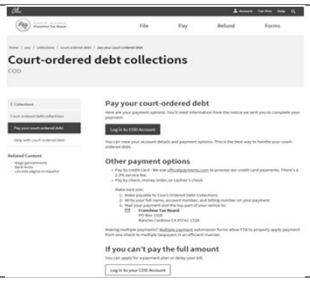
59

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

60

Online Services



61

2022-2023 Fiscal Year Collection Totals			
Case Inventory		***Collection Notices***	
New Cases Received	374,342	Demand Notices	486,171
Accepted Cases	302,030	Installment Agreements	35,220
Withdrawn Cases	67,080	Bank Levies	418,983
Returned Cases	386,292	Wage Garnishments	1,132,452
Ending Inventory	(151,342)	**Total Collection Activities**	2,079,504

62

Case Highlight

A COD account had seven active cases with an original balance of $196,075. The first demand notice was issued on July 18, 2019, for $59,525. With no contact from the debtor, an Earnings Withholding Order (EWO) was issued on March 16, 2020, where we received a levy response of “employed.” In June 2020 we started to receive garnishment payments ranging from $269 to $5,900 however, there was still no contact from the debtor. Due to the client sending additional cases the balance increased, and another demand notice was issued in May of 2021 for $188,188.

In August 2021 we stopped receiving EWO payments therefore, an Order to Withhold (OTW) was issued to Bank of America with the current balance of $186,519. The levy response was coded no funds. The system issued an OTW to the next available bank, JP Morgan Chase. The system received payment in full for the amount requested and the account was closed, paid in full. COD collected a total of $205,696 on behalf of our client.

63

Keys to Our Success

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

64

Updates

- Remote Agent
- Revenue
- Legislation/Adjustments

65

Program Support

Court-Ordered Debt Client Services

Phone: 916.845.7503

Email: CODClientServices@ftb.ca.gov

66

Contact Information

- Jennifer Jacobsen, Program Supervisor
  916.845.5118, Jennifer.Jacobsen@ftb.ca.gov
- Lorena Benavidez, Program Supervisor
  916.845.3513, Lorena.Benavidez@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

67

68

STATE OF CALIFORNIA
Franchise Tax Board

69

STATE OF CALIFORNIA
Franchise Tax Board

Interagency Intercept Collection (IIC) Program Overview

Rikki Saldaña, Interagency Intercept Collection Program

May 2023

IIC
Interagency Intercept Collections

70

Program Overview Objectives

- Introduction
- Background
- Authority
- Administration
- Administrative Costs
- Intercept Process
- Eligibility
- Qualifying Debts
- Debt Priority
- How the Program Works
- 2022 Collection Statistics
- 2022 Case Highlights
- Program Benefits
- How to Participate
- Participant Responsibility
- Annual Timeline
- Program Support
- Online Services
- Program Contacts

71

Introduction

- Many California taxpayers do not pay delinquent debts to government agencies and California colleges. Yet, these individuals are scheduled to receive state payments that include Franchise Tax Board (FTB) personal income tax refunds, Unclaimed Property Division (UPD) claim payments, or California State Lottery winnings.
- We help government agencies collect past due debt from individuals.

72

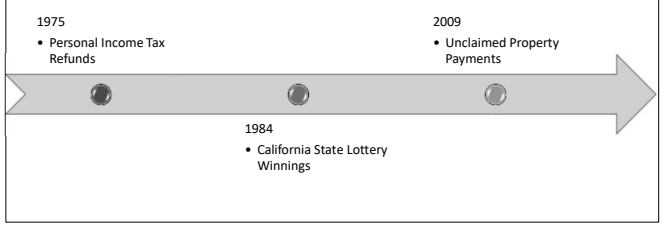
IIC Poll # 1

The IIC Program has been in existence since which year?

a. 1929
b. 1975
c. 1989
d. 2019

73

Background



74

Authority

Authorized by California Government Code (GC) Sections 12419.2-3, 12419.5, and 12419.7-12

Provides general authority for the IIC Program.

Establishes debt priorities.

Identifies authorized debts, payments, and participating agencies.

Requires administrative cost reimbursement.

75

Administration

State Controllers Office

- Approves agency participation in the program.
- Approves debt types.
- Determines priority for certain account types*

Franchise Tax Board

- Administers the Interagency Intercept Collection Program on behalf of the State Controller's Office (SCO).

76

IIC Poll #2

The Franchise Tax Board administers the Interagency Intercept Collection Program on behalf of the State Controller's Office.

a. True
b. False

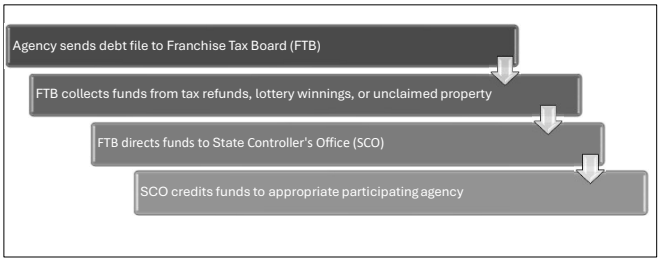
77

Administrative Costs

- Up to $10 per successful offset.
- SCO and FTB calculate the program's annual cost.
- Program's costs are divided by the number of successful offsets for that year.
- Program fee may vary each year.
- In April or May, SCO sends a billing invoice for any successful offsets that occurred during the previous calendar year.

78

Intercept Process



79

IIC Poll # 3

The IIC Program collects the money from which sources?

a. Personal Income Tax Refunds
b. Lottery Winnings
c. Unclaimed Property
d. All the above

80

Eligibility

- A California state, city, county agency, or special district.
- A California state college, community college district, or other post-secondary educational institution.

81

Qualifying Debts

State Agencies
- Any debt type

Counties and Cities
- Property tax, delinquent fines, bails, vehicle parking penalties, court-ordered payments, other permitted debts

California colleges
- Delinquent registration, tuition, bad check fees, library fines, federally subsidized student loans, or other permitted debts.

Special Districts
- Water bills, waste disposal fees, and fire inspection fees.

82

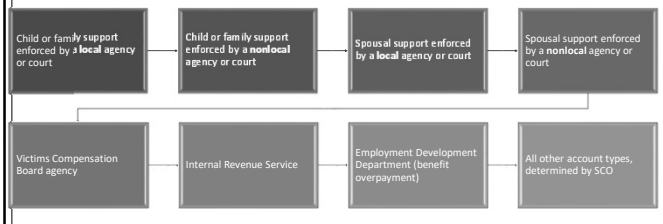
IIC Poll # 4

The IIC Program helps government agencies collect past due debt from individuals.

a. True
b. False

83

Debt Priority



84

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.
- When an offset takes place, we will mail the debtor a notice.

85

2022 IIC Program Statistics

Calendar Year 2022 Collection Totals		
Intercept Source:	Intercepts	Redirected Revenue
Personal Income Tax	783,292	$287,810,640
Lottery Winnings	8,054	$6,192,902
Unclaimed Property	20,227	$6,722,535
Total	811,573	$300,726,077

Calls Received	16,162
Calls Answered	14,813
% Answered	92%
Number of Staff	7

IIC
Interagency Intercept Collections

86

IIC Poll # 5

In calendar year 2022, IIC redirected over $300 million dollars.

a. True
b. False

87

Case Highlights

In June 2022, a debtor had unclaimed property and submitted the forms to the SCO Unclaimed Property Division. The debtor's claim was for $70K. The debtor had a balance due with FTB and all 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 $2.2 million. Nearly $74K was redirected to Department of Child Support Services and California State University, East Bay.

88

Program Benefits

- Additional revenue source
- Differ from other collection services
- Low cost collection alternative, approximately $2.50 - $3.00 per offset, fees may vary each year.

89

How to Participate

Send the Initial Request to Participate (FTB 2282) to the State Controller.

Once approved by the State Controller, you will contact FTB with Intent to Participate

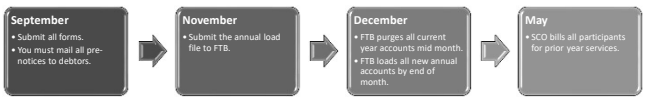
90

Participant Responsibility

- Submit annual updates.
- 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.

91

Annual Timeline



92

Coming Soon - Record Layout Changes

The following data elements will be revised/added to the record layout:

- Agency Code
  - Expanded field length
- Debtor SSN
- Debtor Name
  - Full Last Name
  - Full First Name
  - Middle Initial
  - Suffix
- Debt Amount
- Account Number

93

Modification File Record Layout

The new record layout will no longer require participants to designate their requests as either add, change or delete.

Modification files will be processed as add, change or delete based on replacement logic.

- Record does not exist = Add
- Record does exist and request is non-zero = Change
- Record does exist and request is zero = Delete

94

Program Support

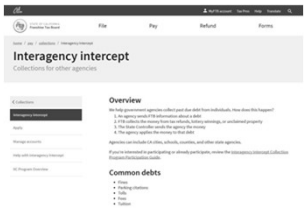
IIC staff can answer program questions or provide services and support:

- Assist agency staff with answering debtor questions.
- Provide copies of missing reports.
- Assist in reconciling weekly reports to monthly fund transfer.
- Assist agency with registering for SWIFT.
- Answer billing questions.

95

Online Services

Interagency Intercept | FTB.ca.gov



96

Program Contacts

Contact Interagency Intercept Collections staff

Individuals
(866) 563-2375

Agencies
(916) 845-5344

Fax
(916) 843-2460

Email
iicgroup@ftb.ca.gov

Mail
Interagency Intercept Collection Program MS A116
Franchise Tax Board
PO Box 2966
Rancho Cordova CA 95741-2966

97

Trial Court Revenue Distribution Training Spring 2023

MALIA M. COHEN
California State Controller

98

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.

99

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

100

SCO Trial Court Website

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

101

SCO Trial Court Website, cont.

The Trial Court Revenue Distribution Guidelines can be found at:
http://www.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.

102

Trial Court 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 information that may apply.*
  - *Narratives provide guidance on questions.*

103

TC Guidelines – Overview, cont.

Changes to Trial Court Guidelines

- Majority of changes to the Trial Court Guidelines happen through the annual legislation process.
- After each legislation cycle, Policy Unit typically reviews the legislations for Trial Court distribution related changes and includes the relevant codes that were added or amended or repealed.
- A new Revision to the Guidelines is published at the beginning of every year.
- A Summary of Changes to the Guidelines is also published at the beginning of every year.

104

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*)

105

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

106

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

107

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.

108

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)

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

109

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:	$40	
Total Assessments:		**$ 75**
TOTAL BAIL/FINE:		**$233**

110

Distribution of Trial Court Revenue

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

- Penalties and assessments added to base fines are distributed to the proper funds, according to law.
- 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 **PEN §1463.002**.
- Base fines **with** a specified distribution are allocated to the proper funds, as described in the Trial Court Guidelines.

111

Penal Code §1463.002

PEN §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.

112

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.

113

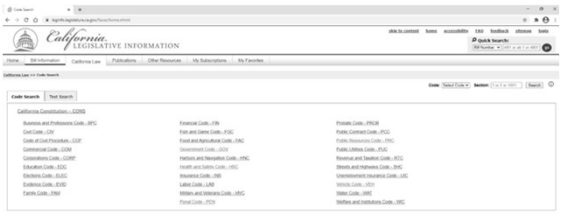
Legislative Information: LegInfo

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

114

LegInfo: Researching the Codes

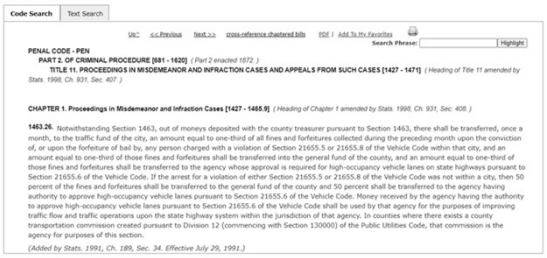
LegInfo allows one to enter a specific code section directly, or browse through one of California's 29 codes.



115

LegInfo: Viewing the Codes

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



116

Reading Entries in the *Guidelines*

Tables in the Guidelines include five or six columns listed below:

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)*.

117

Reading Entries in the *Guidelines*

CODE SECTION	VIOLATION/SITUATION	DISTRIBUTION	APPLICABLE FUND	FUND USE/SPECIAL PROVISION
CIV 1798.155 – California Consumer Privacy Act	**Violations of CIV 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 CIV 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.)*

118

Updates to the Guidelines

Revision 33 of the *Trial Court Revenue Distribution Guidelines* was released in December 2022, and reflected changes due to legislation signed into law last year. The following slides include a list of those changes.

Note: The acronyms used for the code sections have been updated on Revision 33 in order to make them consistent with the acronyms used on the Leginfo website.

119

Updates Due to Legislation

Added, Amended Or Removed	Code Section	Description
Added	PEN 243.4(e)(1)	If the defendant was an employer and the victim was an employee of the defendant, the misdemeanor sexual battery shall be punishable by a fine not exceeding three thousand dollars ($3,000) Any amount of a fine above two thousand dollars ($2,000) which is collected shall be transmitted to the State Treasury and, upon appropriation by the Legislature, distributed to the Civil Rights Department to enforce the California Fair Employment and Housing Act. However, in no event shall an amount over two thousand dollars ($2,000) be transmitted to the State Treasury until all fines, including any restitution fines that may have been imposed upon the defendant, have been paid in full.
Added	WIC 730	When a minor is adjudged a ward of the court as specified, the court may order the ward to make restitution, or pay a fine up to two hundred fifty dollars ($250) for deposit in the county treasury subject to the ability to pay.
Amended	PEN 1214.1	Civil assessments imposed prior to June 30, 2022 are unenforcable and uncollectible, and outstanding balances are to be vacated. Civil assessments imposed after July 1, 2022 are reduced from a maximum of $300 to $100, to be distributed to the state General Fund.
Repealed	GOV 76223	Repealed as of June 30, 2022.
Amended	PEN 1203.4	No reimbursement required per Section 1203.426, for a person seeking relief pursuant to this section and who meets the criteria set forth in GOV 68632.
Amended	PEN 1203.41	No reimbursement required per Section 1203.426, for a person seeking relief pursuant to this section and who meets the criteria set forth in GOV 68632.

120

Updates Due to Legislation, cont.

Added, Amended Or Removed	Code Section	Description
Amended	PEN 1203.42	No reimbursement required per Section 1203.426, for a person seeking relief pursuant to this section and who meets the criteria set forth in GOV 68632.
Amended	PEN 1203.45	No reimbursement required per Section 1203.426, for a person seeking relief pursuant to this section and who meets the criteria set forth in GOV 68632.
Added	PRC 42474	A Civil penalty in an amount of up to $5,000 per offense may be imposed by a superior court for each sale of covered electronic device for which a covered electronic waste recycling fee or covered battery-embedded waste recycling fee, as applicable, has not been paid pursuant to Section 42464. Any fines or penalties collected pursuant to this chapter shall be deposited in the Electronic Waste Penalty Subaccount. The funds in this subaccount may be expended by CalRecycle or DTSC only upon appropriation by the Legislature.
Added	WIC 5979	If, at any time during the CARE process, the court finds that the county or other local government entity is not complying with court orders, the court shall report that finding to the presiding judge of the superior court or their designee - A fine in an amount of up to one thousand dollars ($1,000) per day, not to exceed $25,000 for each individual violation identified in the order imposing fines. Funds collected pursuant to this subdivision shall be deposited in the CARE Act Accountability Fund.
Repealed	CCP 1134	Repealed as of January 1, 2023.

121

Poll #2

A court may impose a civil assessment of up to $300 for failure to appear or failure to pay.

a. True

b. False

122

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

123

Frequently Asked Questions (FAQ)

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

On the SCO Trial Court Website.

Revenue Distribution Training Program

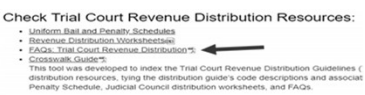
- Training Materials, Frequently Asked Questions, and Judicial Council Distribution Worksheets

For questions that are not addressed by the information via the link above, please contact the Local Government I

TC-31 Forms and Instructions

- Remittance to the State Treasurer (TC-31) Accounting Form *Updated 07.20.2022*
- Guidelines for Revised TC-31 Forms
- TC-31 Frequently Asked Questions (FAQs)
- TC-31 Submission Training

On the Revenue Distribution Training Website


Check Trial Court Revenue Distribution Resources:

- Uniform Bail and Penalty Schedules
- Revenue Distribution Worksheets(xls)
- FAQs: Trial Court Revenue Distribution
- Crosswalk Guide

This tool was developed to index the Trial Court Revenue Distribution Guidelines (distribution resources, tying the distribution guide's code descriptions and associat Penalty Schedule, Judicial Council distribution worksheets, and FAQs.

124

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.

125

SCO Distribution Contact Information

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

MALIA M. COHEN
California State Controller

126

5-minute stretch break…

127

Report to State Controller of Remittance to State Treasurer (TC-31)

- TC – 31 Process
- Resources and Links
- Contacts

128

TC – 31 Process

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

129

TC – 31 Resources

https://www.sco.ca.gov/ard_trialcourt_manual_guidelines.html

Revenue Distribution Training Program

- Training Materials, Frequently Asked Questions, and Judicial Council Distribution Worksheets

For questions that are not addressed by the information via the link above, please contact the Local Government Policy Unit at LocalGovPolicy@sco.ca.gov

TC-31 Forms and Instructions

- Remittance to the State Treasurer (TC-31) Accounting Form *Updated 07.28.2022*
- Guidelines for Revised TC-31 Forms
- TC-31 Frequently Asked Questions (FAQs)
- TC-31 Submission Training

Email List

To receive notification of updates to the **Trial Court Revenue Distribution Guidelines** webpage, please visit the Trial Court Revenue Distribution email subscription webpage.

To receive notification of updates to the **TC-31 form**, please visit the TC-31 Updates email subscription webpage.

130

TC – 31 Resources

https://www.sco.ca.gov/Files-ARD-Local/remittc_tc31.xlsx

131

TC – 31 Resources

Home » State and Local » Local Government » Local Government Information & Resources » Trial Court Revenue Distribution Guidelines » TC-31 Frequently Asked Questions

TC-31 Frequently Asked Questions

- Where can I find the TC-31 form?
- Is there a schedule showing the deadlines to remit collections with the TC-31?
- Where can I subscribe for TC-31 updates?
- Where do I submit the TC-31 form?
- Whom can I contact for any TC-31 questions?
- For audit finding penalty and interest matters, whom do I contact?
- For questions on revenue distribution, whom do I contact?
- Whom do I contact for electronic payments?
- Whom do I contact for the 50/50 Excess Split Revenue Computation Form?

132

TC – 31 Resources

Delinquent Date Schedule
https://www.sco.ca.gov/ard_state_accounting.html

Accounting Forms and Information

Accounting

- eFITS - Electronic Fiscal Input Transaction System
  - FAQ
  - eFITS Log In
- Agency Trust On-line Inquiry Instruction | PowerPoint (PowerPoint presentation requires MS PowerPoint software)
- Delinquent Date Schedule for Remittance Advices
  - Fiscal Year 2023-24 *NEW!
  - Fiscal Year 2022-23
- Report to State Controller of Remittance to State Account (TC-47) | EXCEL
- State Department Accounts Receivable Management Representation and Certification Letter

133

TC – 31 Resources

Delinquent Date Schedule

M e m o r a n d u m

Date: March 6, 2023

To: All County Auditor-Controllers

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

Subject: **FISCAL YEAR 2023-24 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	2023	September	14	2023	September	14	2023
August	2023	October	15	2023	October	16	2023
September	2023	November	14	2023	November	14	2023
October	2023	December	15	2023	December	15	2023
November	2023	January	14	2024	January	16	2024

134

TC – 31 Resources

TC – 31 Submission

Submit your TC-31 forms to:

	OR	
State Treasurer		State Treasurer
Cash Management Division		Cash Management Division
915 Capitol Mall, Room 319		P.O. Box 942809
Sacramento, CA 95814		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

135

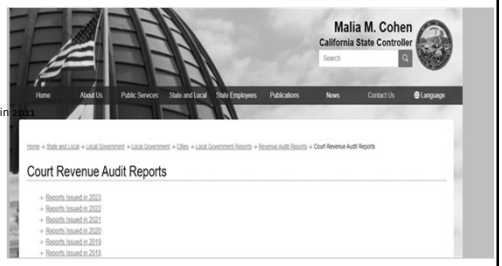
TC – 31 Contacts

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

Tax Programs Unit:
lgpsdtaxprograms@sco.ca.gov
Lacey Baysinger – Lbaysinger@sco.ca.gov
Ying Dong – Ydong@sco.ca.gov

136

Court Revenue Audits



in 2011

137

COURT REVENUE AUDITS:

Agenda

- Status of Audits
- Audit Process
- Common Audit Findings

138

COURT REVENUE AUDITS:

Status of Audits
(as of 5/1/23)

- Final Reports Issued: 1
- Reports in Process: 4
- Audits in Progress: 9
- Next in queue:
  - Napa
  - Solano
  - Calaveras
  - El Dorado

We identified $6.3 million in underremitted revenues, 95 findings and 6 observations for the period of January 1, 2022 through December 31, 2022.

139

COURT REVENUE AUDITS:

Audit Process

- Initial Contact & Start Letter
- Entrance Conference
- Preliminary Fieldwork & Internal Control
- Analytical Review of Revenues
- 50% Excess of Qualified Revenues
- Distribution Testing
- Parking Testing
- Exit Conference
- Audit Report

140

COURT REVENUE AUDITS:

Common Findings

- Priority of Installment Payments
- Incorrect Collection of Parking Surcharges
- Errors in calculation of the 50% excess of qualified revenues

141

COURT REVENUE AUDITS:

Common Findings

Priority of Installment Payments

Payment priority is set forth in PC section 1203.1d*

1) Restitution ordered to *victims* (PC 1202.4(f))
2) 20% State Surcharge (PC 1465.7)
3) Any fines, penalty assessments, and restitution fines (PC 1202.4[b])
4) Other reimbursable costs (Court Operations Assessment, Criminal Conviction Assessment, Installment/Collection Fees, etc.)

* Payment priority for individual funds is included in the SCO Distribution Guidelines

Common Issues

- Priority-four revenues being collected prior to the full distribution of Priority-three revenues.
- State DUI Indemnity Allocation (PC 1463.18) should be fully distributed prior to other priority-three revenues.

142

COURT REVENUE AUDITS:

Common Findings

Parking Surcharges

State and County Parking Surcharges

- GC 76000(b) County Courthouse Construction Fund - $1.50
- GC 76000(b) County Criminal Justice Facilities Construction Fund - $1.50
- GC 76000(c) County General Fund - $2.00 ($1 from LCCF and LCJF)
- GC 70372(b) State Court Facilities Construction Fund - $4.50
- GC 76000.3 State Trial Court Trust Fund - $3.00

Common Issues

- Failure to reduce the County Courthouse Construction Fund penalty upon transfer of courthouse to JCC or paying off bonded indebtedness (GC 76000[d]).
- Universities, districts, and cities are not consistently imposing and collecting parking surcharges and penalties.

143

COURT REVENUE AUDITS:

Common Findings

50% Excess of Qualified Revenues

VC section 42007 – Traffic Violator School Fee

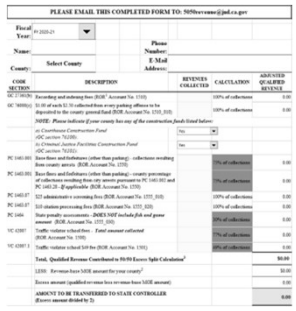
- Include the following revenues collected from TVS cases:
  - VC 42007 TVS Fee;
  - GC 76100 Courthouse Construction Fund;
  - GC 76101 Criminal Justice Facilities Construction Fund;
  - GC 76104 Emergency Medical Services Fund;
  - GC 76000.5 Emergency Medical Services Fund; and
  - VC 42007(c) city base fines.
- When using resources included in the JCC's annual instructions, make sure to not apply the qualified revenue percentage twice to revenues.

144

COURT REVENUE AUDITS:

Common Findings

50% Excess of Qualified Revenues



PLEASE EMAIL THIS COMPLETED FORM TO: 5050revenue@jud.ca.gov

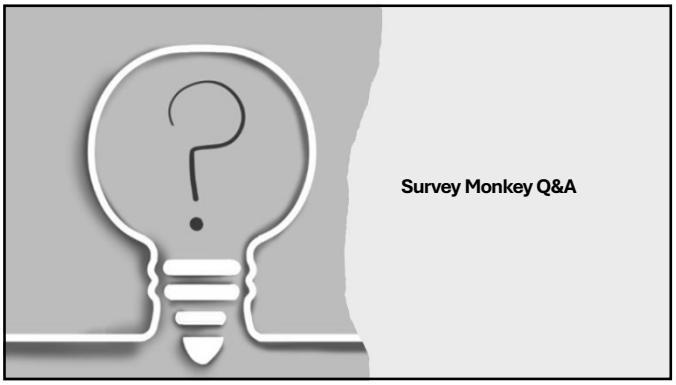
Fiscal Year: FY 2020-21

Name: Phone Number:

County: Select County E-Mail Address:

CODE SECTION	DESCRIPTION	REVENUES COLLECTED	CALCULATION	ADJUSTED QUALIFIED REVENUE
GC 27361(d)	Recording and indexing fees [DOF Account No. 1310]		100% of collections	0.00
GC 76000(a)	$1.00 of each $2.50 collected from every parking offence to be deposited to the county general fund [DOF Account No. 1310_010]		100% of collections	0.00
	NOTE - Please indicate if your county has any of the construction funds listed below:			
	a) Courthouse Construction Fund (GC section 76100)	Yes		
	b) Criminal Justice Facilities Construction Fund (GC section 76101)	Yes		
PC 1463.001	Base fines and forfeitures (other than parking) – collections resulting from county arrests [DOF Account No. 1370]		7% of collections	0.00
PC 1463.001	Base fines and forfeitures (other than parking) – county percentage of collections resulting from city arrests pursuant to PC 1463.001 and PC 1463.20 - If applicable [DOF Account No. 1370]		7% of collections	0.00
PC 1463.07	$25 administrative screening fees [DOF Account No. 1575_010]		100% of collections	0.00
PC 1463.07	$10 citation processing fees [DOF Account No. 1575_020]		100% of collections	0.00
PC 1464	State penalty assessments – DOES NOT include fish and game amount [DOF Account No. 1575_030]		10% of collections	0.00
VC 42007	Traffic violator school fees – Total amount collected [DOF Account No. 1395]		7% of collections	0.00
VC 42007.1	Traffic violator school $10 fee [DOF Account No. 1395]		10% of collections	0.00
	Total, Qualified Revenue Contributed to 50/50 Excess Split Calculation[1]			$0.00
LESS	Revenue-base MOE amount for your county[2]			$0.00
	Excess amount (qualified revenue less revenue-base MOE amount)			0.00
	AMOUNT TO BE TRANSFERRED TO STATE CONTROLLER (Excess amount divided by 2)			0.00

145



Survey Monkey Q&A

146

Takeaways

Training Recap

Updates:
- Legislation
- Collections and ATP
- SCO Guidelines

Overview:
- FTB programs
- SCO Audit issues
- TC-31 form

Resources

Resources and Contact sheet

Future Trainings

- June 14, 2023— Collections Reporting Template (CRT)
- January 2024— Winter Revenue Distribution
- May 2024— Spring Revenue Distribution

Evaluation

Your feedback is valued!

147

Click to complete evaluation

148