



## Judicial Council of California

ADMINISTRATIVE OFFICE OF THE COURTS

OFFICE OF GOVERNMENTAL AFFAIRS

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RONALD M. GEORGE  
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KATHLEEN T. HOWARD  
*Director, Office of Governmental Affairs*

April 5, 2007

Hon. Ellen M. Corbett, Chair  
Senate Judiciary Committee  
State Capitol, Room 3092  
Sacramento, California 95814

Subject: SB 539 (Margett), as proposed to be amended – Neutral  
Hearing: Senate Judiciary Committee – April 10, 2007

Dear Senator Corbett:

The Judicial Council has been informed that SB 539 will be amended to 1) change the notification the State Controller's Office (SCO) provides to courts and counties that an under-remittance of state revenues has occurred and 2) amend the requirement that the county transmit the penalty funds to the state.

Under current law, the county is required to pay any penalties resulting from audit findings issued by the State Controller's Office. When the error identified by the SCO is the fault of the court, the county must still pay the penalty to the state and then seek reimbursement from the court. The State Association of County Auditors contends that this no longer makes sense because courts now have their own bank accounts outside the County Treasury and are able to pay penalties directly to the state and on their own behalf. SB 539 would require the SCO to notify either the court or the county directly of their fault in the under-remittance and then require that court or county to pay the penalty directly to the state.

Staff of the Administrative Office of the Courts (AOC) sought input on SB 539 from Trial Court Presiding Judges and Court Executive Officers. At the time this letter was prepared, three Court

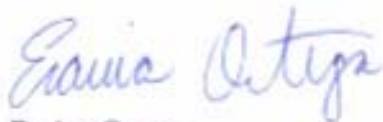
Hon. Ellen M. Corbett, Chair

April 5, 2007

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Executive Officers responded that the change proposed in SB 539 was not a concern to their courts. Because of the limited input received to date, the Judicial Council has adopted a neutral position on this bill. If additional information is gathered that results in the council adopting a different position on the bill, AOC staff will notify the Senate Judiciary Committee immediately.

Sincerely,



Eraina Ortega  
Manager

EO/lb

cc: Members, Senate Judiciary Committee  
Hon. Bob Margett, Member of the Senate  
Ms. Alexandra Montgomery, Committee Counsel, Senate Judiciary Committee  
Mr. Eric Csizmar, Deputy Legislative Affairs Secretary, Office of the Governor  
Mr. Brent Jamison, Acting Director of Legislation, Office of Planning and Research



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September 17, 2007

Hon. Arnold Schwarzenegger  
Governor of California  
State Capitol, First Floor  
Sacramento, California 95814

Subject: SB 539 (Margett) – Request for Signature

Dear Governor Schwarzenegger:

The Judicial Council respectfully requests your signature of SB 539.

This bill establishes a tiered interest and penalty structure that is both fair to the courts and counties that make inadvertent errors in remitting revenue to the state and protects the state fund that receives the revenues by requiring appropriate interest and penalties be paid when an error is discovered. SB 539 also requires the entity found in error to make the interest or penalty payment directly to the state (currently, the county is required to pay the state and seek reimbursement from the court, if the court is at fault).

In recent years, the courts have established their own banking accounts separate from the counties and both courts and counties can now be responsible for transmitting revenues to the state. SB 539 makes common-sense changes to an area of law that has not been amended since trial court funding was first established.

For these reasons, the Judicial Council requests your signature on SB 539.

Sincerely,

Eraina Ortega  
Manager

EO/lb

cc: Hon. Bob Margett, Member of the Senate  
Mr. Chris Ryan, Deputy Legislative Affairs Secretary, Office of the Governor  
Mr. Brent Jamison, Acting Director of Legislation, Governor's Office of Planning and Research