



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Probation

Subject: Franchise Tax Board Court-Ordered Debt Collections Agreement

Meeting Date: June 24, 2025

Formal Title: Approve three-year agreement with the Franchise Tax Board at no-cost to provide court-ordered debt collection and support services, and take related actions

Recommended Actions

1. Approve agreement with the Franchise Tax Board for court-ordered debt collection and support services through June 30, 2028; and
2. Authorize the Chief Probation Officer or designee to sign the agreement.

Executive Summary

The Probation Department requests approval to renew an agreement with the Franchise Tax Board (FTB) to use their Court-Ordered Debt (COD) Collection Program services and support in the collection of delinquent court-ordered debts at no cost to the County.

Discussion

The Probation Department assists the County in collecting delinquent court-ordered accounts. Certain types of debt are sent to the FTB as part of the collections process. The Board last approved the Probation and FTB agreement in May 2022. That three-year agreement expires June 30, 2025.

This request is to renew the agreement for another three years starting July 1, 2025, and continuing through June 30, 2028. The FTB services provided under this agreement are part of an ongoing effort to recover monies owed to the County of Santa Cruz along with victim restitution payments from delinquent accounts. The FTB requires the use of the state's standard agreement when executing this service agreement.

California Revenue and Taxation Code §19282 provides that fines, state or local penalties, forfeitures, restitution fines, restitution orders, or any other amounts imposed by a Superior Court of the State of California upon a person or any other entity that are due and payable for criminal offenses, including all offenses involving a violation of the Vehicle Code, may be referred by the Superior Court, the County, or the State to the FTB for collection under guidelines prescribed by the FTB.

Probation's collections unit has recovered \$1,138,584 (\$747,665 in victim restitution and \$390,919 in fines) over the last three years. Of that total amount, \$405,308 was recovered through the agreement with the FTB-COD and distributed to numerous victims and required state entities.

Financial Impact

This no-cost Probation agreement results in no County financial or budgetary impact.

Strategic Initiatives

Equity Framework - Leadership, Operations & Services
Operational Plan - Comprehensive Health & Safety
Operational Excellence - Government Operations

Submitted By:

Fernando Giraldo, Chief Probation Officer

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.