



# Debt Free Justice California

April 20, 2020

Dear County Boards of Supervisors,

We write to request your immediate action on a matter of acute concern to residents in your county that have been negatively impacted by debt imposed for juvenile and criminal legal system involvement, traffic violations, and infractions (hereinafter referred to as “government-imposed debt”).

In acknowledgement of the urgent and increasing need for debt relief due to the economic fallout from COVID-19, Boards of Supervisors should establish immediate moratoriums on the assessment and collection of all government-imposed debt<sup>1</sup> for 120 days or until the second month following the end of the public health emergency, whichever is later.

Acknowledging the difficult times many Californians are facing, State Controller Betty Yee placed a moratorium on the Franchise Tax Board’s collection of all government-imposed debt through its Interagency Intercept Collection and Court-Ordered Debt Collection programs.<sup>2</sup>

Prior to the crisis, many counties ended the assessment and collection of juvenile<sup>3</sup> and criminal fees,<sup>4</sup> and as you may know, this coalition has asked the State to reconsider the propriety of many of the fines and fees currently being imposed and collected.<sup>5</sup>

Given the Governor’s COVID-19 State of Emergency and the deepening economic impacts of the public health crisis in the state, including the substantial loss of income hindering Californian’s ability to pay for rent, food, utilities, and other necessities, **we urge you to take the following actions:**

1. *Suspend Collection Activity:* Immediately suspend collection of payment for all government-imposed debt including collection by local revenue departments and third-party collection agents for no less than 120 days or until the second full month following the end of the public health emergency, whichever is later, including by:
  - a. Adopting local resolutions establishing a moratorium on the collection of government-imposed debt.
  - b. Approving department or agency applications for discharge from accountability under Government Code section 25257.<sup>6</sup>
  - c. Issuing stop work orders to and/or temporarily amending agreements to cease collection services by third-party agencies (e.g., Alliance One, GC Services, Linebarger Goggan Blair & Sampson, Municipal Services Bureau, Financial Credit Network, Progressive Financial, Wakefield, RCA).
2. *Suspend Referrals to Franchise Tax Board:* Building on the FTB’s March action,<sup>7</sup> immediately recall past referrals and stop making new referrals of outstanding government-imposed debt to the Franchise Tax Board for no less than 120 days or until the second full month following the end of the public health emergency, whichever is later.
3. *Suspend Assessment:* Immediately stop the assessment of any new payments or government-imposed debt, and the imposition of other fees and/or sanctions<sup>8</sup> on outstanding government-imposed debt for no less than 120 days or until the second full month following the end of the public health emergency, whichever is later, including by:

- a. Adopting local resolutions establishing a moratorium on the assessment of government-imposed debt.
4. *Provide Notice*: Notify individuals of your actions, including updating public-facing websites and payment portals, so they can plan their finances accordingly.
5. *Make Changes Permanent*: Consider making any efforts taken in response to COVID-19 permanent, including:
  - a. *Repeal*: Adopting ordinances and amending and/or repealing resolutions to eliminate fines and fees.
  - b. *Write-off*: Adopting ordinances authorizing Auditor-Controllers, Treasurer and Tax Collectors, Chief Executive/Administrative Offices, County Counsel to work with relevant departments and courts to write-off all accounts receivable balances; vacate or declare as satisfied all agreements, stipulations, and civil judgments; and release liens associated with government-imposed debt
6. *No New Monetary Sanctions*: Commit to not passing any legislation that would add additional monetary burdens, increase existing dollar amounts, or raise statutory limits on existing authorized monetary burdens, such as fines and fees imposed through the juvenile and criminal legal systems.

We need to relieve all Californians from the hardship of making ongoing payments on government-imposed debt burdens to help individuals, communities, and the state weather the current crisis and emerge more secure, just, productive, healthy, and hopeful.

Sincerely,

Debt Free Justice California

CC: California State Association of Counties  
 County Administrator  
 County Counsel  
 Chief Probation Officer  
 Auditor-Controller

<sup>1</sup> State law requires counties to impose certain fines and fees and authorizes counties to use its discretion on other types of fines and fees. This letter and its recommendations apply to all fines and fees that are within the discretion of the county to act on.

<sup>2</sup> Debt Free Justice California, "Franchise Tax Board Suspends Collection of Debts Owed to Government Agencies," [http://ebclc.org/wp-content/uploads/2018/11/2020.04.07\\_DebtCollectionSuspension\\_FTB\\_Flyer-\\_DFJC1.pdf](http://ebclc.org/wp-content/uploads/2018/11/2020.04.07_DebtCollectionSuspension_FTB_Flyer-_DFJC1.pdf).

<sup>3</sup> All counties have ended the imposition of all fees imposed on youth in the juvenile system and their families. Thirty-six California counties have ended the collection of all previously imposed juvenile fees. See UC Berkeley Law, Policy Advocacy Clinic, Fee Abolition and the Promise of Debt-Free Justice for Young People and their Families in California (2019), [https://www.law.berkeley.edu/wp-content/uploads/2019/10/SB-190-Implementation-Report.11\\_10\\_31\\_19.pdf](https://www.law.berkeley.edu/wp-content/uploads/2019/10/SB-190-Implementation-Report.11_10_31_19.pdf).

<sup>4</sup> San Francisco, Alameda, and Los Angeles Counties have ended the imposition and collection of all criminal fees over which they have discretion. Contra Costa County has placed a moratorium on the imposition and collection of all criminal fees.

<sup>5</sup> S. 144, 2019-2020 Reg. Sess. (Cal. 2019) (ending imposition and collection of certain criminal fees as well as discharging all outstanding amounts); S. 1290, 2019-2020 Reg. Sess. (Cal. 2020) (ending collection of all juvenile fees as well as discharging all outstanding amounts).

<sup>6</sup> See also Judicial Branch of California, Discharge from Accountability Information Sheet, <https://www.courts.ca.gov/partners/documents/rev-coll-Discharge-from-Accountability-Information-Sheet.pdf>.

<sup>7</sup> Press Release: California's Franchise Tax Board to Halt Debt Collection Immediately (Mar. 27, 2020), <http://ebclc.org/wp-content/uploads/2018/11/2020.03.27-DFJC-on-FTB-Action-Press-Release.pdf>.

<sup>8</sup> See Cal. Penal Code 1203.1 (15% restitution collection administration fee); Cal. Penal Code 1202.4(l) (10% restitution fine collection administration fee).