



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Health
Department No.: 041
For Agenda Of: February 15, 2022
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Van Do-Reynoso, MPH, PhD, Director
Director(s) Public Health Department
Contact Info: Lars Seifert, Environmental Health Services, Director
SUBJECT: Discharge of Accountability for Uncollected CUPA Permit Invoice Fees and Penalties

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management, Fire Department

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

- a) Approve and authorize the Director of Environmental Services to execute the *Application for and Authorization of Discharge of Accountability* for uncollected fees and penalties assessed on Certified Unified Program Agency (CUPA) permit invoices in the amount of \$239,882.77 dating from April 1, 1993 through January 25, 2013; and
- b) Determine that the above action is a government funding mechanism or other government fiscal activity, which does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

Summary Text:

This item is on the agenda to request authorization to discharge uncollected County invoice fees and penalties assessed for permits that were required, but never issued, by the Certified Unified Program Agency (CUPA) to facilities that generate or handle hazardous materials between April 1, 1993 and January 25, 2013 as authorized by the California Revenue and Taxation Code, Sections 2611.1 - 2611.3.

Background:

This action is being requested by Public Health/Environmental Health Services (EHS) in support of full implementation of a software modernization and migration services contract to Accela's Civic Platform approved by your Board on June 22, 2021. The discharge of specified financial records for uncollected permit fees and penalties invoiced prior to Fiscal Year 2013/2014 will enhance record and data accuracy during the data migration, and ultimately, will benefit constituents who use EHS services within the new Accela platform.

On May 14, 2013, the Board transferred the Certified Unified Program Agency, or CUPA, from the County Fire Department to the Public Health Department under the authority of Environmental Health Services as part of the Fiscal Year 2013/2014 Operating Plan and Budget for Santa Barbara County. Financial records for uncollected Certified Unified Program Agency permit fees and penalties that were invoiced by the County Fire Department prior to Fiscal Year 2013/2014 were also transferred.

Each fiscal year subsequent, annual permit fees and penalties were invoiced by EHS to recover mandated service costs for the State-delegated CUPA permitting activities as authorized by your Board. On March 15, 2016, the Board also authorized the execution of a contract with Financial Credit Network, Inc. (FCN) to collect delinquent fees invoiced by EHS in response to a State review of the locally delegated CUPA program. A review finding in the program audit report by the State recommended that an outside independent collections agency be utilized for the recovery of fees as a final resort for collection on delinquent fee accounts. In January of 2017, after notifying CUPA businesses of delinquent fee accounts, EHS transferred unpaid invoices and outstanding balances accumulated since Fiscal Year 2013/14 to the Financial Credit Network for collection of unpaid permit fees and penalties. Financial records for annually invoiced permit fees and penalties assessed by the County Fire Department prior to January 25, 2013 were retained by EHS, and transferred fee balances have remained unpaid and uncollected because Financial Credit Network would not accept balances that old. Table 1 below includes a summary of the totals, by year, for those annual permit fees and penalties that remain unpaid and uncollected. The unpaid invoices for all calendar years between 1993 and 2013 are in the sum of \$239,882.77.

At this time, a collection effort by the County for these unpaid permit fees and penalties would be impracticable since: 1) the time for commencing legal action against these facilities has expired (Code of Civil Procedure section 338.1); 2) the facilities no longer require unified program facility permits for the years noted; and 3) the facilities may no longer be operating. The likelihood of collection does not warrant the expense involved for legal noticing and subsequent collection efforts by the County.

Staff request that your Board take the recommended actions to approve the *Application for and Authorization of Discharge of Accountability* for uncollected fees and penalties assessed on CUPA permit invoices dating from April 1, 1993 through January 25, 2013, which authorizes the discharge of accountability in accordance with your Board's financial powers established by Government Code for the Public Health Department and County Fire Department to collect on these unpaid invoices.

The CUPA, under Environmental Health Services, currently has an ongoing permit invoicing and collection system to ensure delinquent accounts are paid timely for services provided by the County.

Table 1. Summary of unpaid CUPA permit fee invoices and total due by year.

Year	No. of unpaid invoices	Total Due, Principal and Penalties
1993	1	\$ 1,107.35
1994	2	\$ 655.93
1995	5	\$ 2,240.02
1996	2	\$ 1,453.50
1997	26	\$ 8,479.62
1998	31	\$ 8,900.77
1999	33	\$ 10,731.10
2000	44	\$ 15,442.26
2001	40	\$ 12,612.00
2002	47	\$ 15,497.39
2003	46	\$ 17,904.32
2004	44	\$ 15,417.76
2005	42	\$ 15,058.25
2006	32	\$ 11,705.41
2007	29	\$ 10,473.55
2008	26	\$ 8,460.75
2009	50	\$ 22,717.65
2010	35	\$ 12,734.59
2011	1	\$ 300.00
2012	41	\$ 23,640.80
2013	42	\$ 24,349.75
Total	619	\$ 239,882.77

Fiscal and Facilities Impacts:

Budgeted: No **Fiscal Analysis:**

Approving the Application for and Authorization of Discharge of Accountability for the CUPA uncollected fees and assessed penalties will have no financial impact, as collection of these funds is not budgeted nor anticipated. These balances are old and cannot be sent to the contracted collection agency. The request for your board is to allow the CUPA to remove these balances for unpaid invoices and penalties.

Special Instructions:

Upon approval, one fully executed application signed by the Director of Environmental Services will be submitted to the Clerk of the Board for record keeping.

Attachments:

- A. Application for and Authorization of Discharge of Accountability

Authored by:

Lars Seifert, Environmental Health Services Director