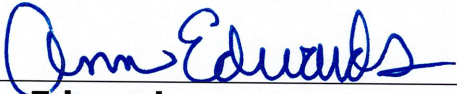
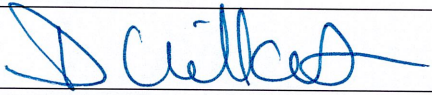
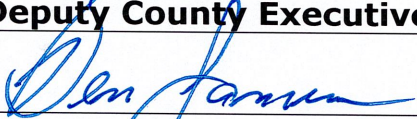
		<b>Policy #</b> <b>1900</b>
<b>Subject: Bankruptcy Notice Policy</b>		
<b>Responsible Department: Department of Finance</b>		
<b>Effective Date:</b> 04/2013	<b>Revision Date:</b> 01/2022	
		
<b>Ann Edwards</b> <b>County Executive</b>		
		
<b>David Villanueva</b> <b>Deputy County Executive</b>		
		
<b>Ben Lamera</b> <b>Director of Finance</b>		

### **Purpose**

The Bankruptcy Notice Policy is established to ensure that bankruptcy information is received and disseminated throughout the County in an efficient and systematic manner. When a bankruptcy notice is received, the law requires all billing and collection activities to cease. Once any department in the County receives a notice, the prohibition to collect applies to all unpaid amounts due to all County departments, whether they receive a separate notice or not.<sup>1</sup>

### **Authority**

Federal Rules of Bankruptcy Title 11.

### **Scope**

This policy applies to all Sacramento County Departments.

### **Procedures**

It is the policy of the County of Sacramento that the Department of Finance, Revenue Recovery act on behalf of County departments in matters related

<sup>1</sup> Bankruptcy does not prohibit enforcement of police power actions for the protection of public health or safety such as those initiated by Code Enforcement or Building Permits & Inspection (see 11 USCA 362(b)(4) and Javens vs. City of Hazel Park (1997) 107 F.3d 359, 365.)

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to bankruptcy cases and to keep all departments informed as necessary. The County must immediately cease all collection activities upon receipt of a bankruptcy notice or verbal communication which includes case number and/or attorney's name. The notice and information about any unpaid amounts the debtor owes to the County is to be forwarded to Revenue Recovery for processing.

Departments shall maintain internal bankruptcy procedures consistent with this County policy.

### General Procedure for County Departments:

- a. Upon receipt of a bankruptcy notice from Revenue Recovery or any other source, the Department is to immediately cease all billing and collection activities.
- b. Complete and return the [DRR Bankruptcy Notification Form](#) and any bankruptcy notices received to Revenue Recovery via email to [DRR-BankruptcyNoticeMailBox](#).
- c. Revenue Recovery will coordinate with County Counsel and the Department if further action or information is needed.
- d. Revenue Recovery will inform County Departments when a bankruptcy notice is received, when post-petition invoicing can resume, and when necessary, the outcome of the bankruptcy case.

### **Review**

This policy is to be reviewed annually.