

DEPARTMENT OF SOCIAL SERVICES  
744 P Street, Sacramento, CA 95814



November 24, 1992

ALL COUNTY LETTER 92-104

TO: ALL COUNTY WELFARE  
DIRECTORS

REASON FOR THIS TRANSMITTAL

- State Law Change  
 Federal Law or Regulation  
Change  
 Court Order or Settlement  
Agreement  
 Clarification Requested by  
One or More Counties  
 Initiated by SDSS

REFERENCE: MPP 42-215.4

On April 6, 1992, the Superior Court (San Francisco City and County) issued a decision in the McKnight v. McMahon case. The Court ruled that Manual of Policy and Procedures Section 42-215.4 is "inadequate with respect to cases where the applicant or recipient disagrees with value established by the county using the Department of Motor Vehicles ("DMV") method of valuation". A copy of the McKnight court decision has been attached for your information.

The purpose of this letter is to inform and instruct the counties about the changes in vehicle evaluation methodology mandated by the McKnight v. McMahon Court decision. All changes in methodology required by the McKnight Court case are to be implemented and established as county procedures no later than 60 days from receipt of this letter.

The McKnight Court decision specifies that counties have the responsibility to determine a reasonable value for an applicant's/recipient's motor vehicle. The counties may continue using the DMV method to establish a vehicle's value, unless that method is shown to be inaccurate. The methods and tools that can be used to determine reasonable value include but are not limited to:

- 1). the current DMV method for establishing value, acceptable unless shown to be inaccurate,
- 2). the wholesale "Blue Book" value,
- 3). bills of sale,
- 4). newspaper advertisements,
- 5). written statements from motor vehicle dealers or appraisers as to value of the vehicle, and
- 6). testimony/sworn statements as to the value of the vehicle and/or condition of the vehicle.

The Court Order contains a clause referring to the methods and tools listed above which states "no one of which shall necessarily be dispositive". This means that the county is not to rely solely on one method (for example, DMV method) if that method does not establish a reasonable value in the face of contrary evidence. Counties are responsible for ensuring an accurate determination of reasonable value.

If the applicant/recipient believes the value of the vehicle established by the county is incorrect, he/she is to be given the opportunity to establish the true value of the vehicle.

The applicant/recipient can provide alternate evidence of the true value of the vehicle in the form of:

- 1). estimates of repair,
- 2). photographs of the vehicle,
- 3). sworn statements as to the condition of the vehicle, or
- 4). any other evidence including advertisements.

If the applicant/recipient is to be denied or discontinued as a result of the county vehicle valuation, a Notice of Action (NOA) will be sent to inform the applicant/recipient of:

- 1). His/her opportunity to furnish evidence of alternate vehicle value if he/she does not agree with the county established value.
- 2). the applicant/recipient's opportunity to appeal the county's valuation through a State hearing.

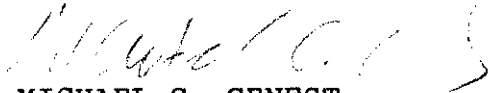
The NOA must instruct the client about how to request a hearing. Also, all McKnight NOAs will notify the client that free legal help is available at the local legal aid office or welfare rights office.

Notice of Action message language required by the McKnight Court Order has been attached for county use. You must use this language when either making a denial of an application for AFDC or discontinuing AFDC based on excess value of a motor vehicle.

A discontinuance based on excess property is to be rescinded if a recipient provides timely, acceptable proof which shows that the motor vehicle value when added to the assistance unit's other property falls within the AFDC property limits.

The Department of Social Services will follow up on this implementing All County Letter with regulatory material regarding the McKnight Court case at a later date.

If you have any questions about the McKnight Court case or its implementation, please call Mr. Vincent Toolan at (916) 654-1808 or ATSS 464-1808.



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