



**CITY OF MARTINEZ**

**CITY COUNCIL AGENDA  
December 4, 2013**

**TO:** Mayor and City Council

**FROM:** Alan H. Shear, Acting City Manager

**SUBJECT:** Resolution Authorizing Examination of Sales, Use and Transactions Tax Records

**DATE:** November 25, 2013

**RECOMMENDATION:**

Adopt a resolution to authorize the City Manager to designate in writing to the State Board of Equalization those appointed representatives of the City of Martinez with authority to examine sales, use and transactions tax records of the Board pertaining to sales, use and transactions taxes collected for the City by the Board.

**BACKGROUND:**

The State Board of Equalization (Board) performs all functions incident to the administration and collection of local sales, use and transactions taxes. The City of Martinez deems it desirable and necessary for authorized representatives of the City to examine confidential sales, use and transactions tax records pertaining to sales, use and transactions taxes collected by the Board on behalf of the City.

The City currently has an agreement for sales tax consultant services with Hinderliter, de Llamas & Associates (HdL) to examine the sales, use and transactions tax records of the Board pertaining to taxes collected for the City. HdL provides specialized management services for the sales and use tax information gathered by the Board, including (a) revenue allocation and amount verification (through detailed analysis of reported sales and use tax payments and business tax audits), (b) challenging possible tax allocation errors and underpayments, (c) generating detailed reports and analyses of these major City revenues for use in budgeting.

The California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records, and establishes criminal penalties for the unlawful disclosure of the information contained in the sales, use and transactions tax records of the Board. The current resolution on file with the Board authorizes the following officers and employees to examine the sales and use tax data of the City: The City Treasurer, City Manager, Assistant City Manager, Finance Manager, and Senior Management Analyst.

The attached resolution allows the City Manager to designate in writing to the Board, those officers and employees of the City eligible to view the sales and use tax data. This will allow for more flexibility as position titles and duties changes, thereby requiring different employees to examine the sales and use tax data.

**FISCAL IMPACT:**

None

**ACTION:**

Adopt a resolution to authorize the City Manager to designate in writing to the State Board of Equalization those appointed representatives of the City of Martinez with authority to examine sales, use and transactions tax records of the Board pertaining to sales, use and transactions taxes collected for the City by the Board.

Attachment:  
Resolution

RESOLUTION NO. -13

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARTINEZ  
AUTHORIZING EXAMINATION OF SALES, USE AND  
TRANSACTIONS OF TAX RECORDS

**WHEREAS**, the City of Martinez entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local sales, use and transactions taxes; and

**WHEREAS**, the City Council of the City of Martinez deems it desirable and necessary for authorized representatives of the City to examine confidential sales, use and transactions tax records of the State Board of Equalization pertaining to sales, use and transactions taxes collected by the Board for the City pursuant to that contract; and

**WHEREAS**, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board of Equalization records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales, use and transactions tax records of the Board.

**NOW, THEREFORE**, THE CITY COUNCIL OF THE CITY OF MARTINEZ HEREBY RESOLVES AS FOLLOWS:

SECTION 1. That the City Manager, or other officer or employee of the City designated in writing by the City Manager to the State Board of Equalization (hereafter referred to as Board), is hereby appointed to represent the City of Martinez with authority to examine sales, use and transactions tax records of the Board pertaining to sales, use and transactions taxes collected for the City by the Board pursuant to the contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales, use and transactions taxes by the Board pursuant to that contract.

SECTION 2. That the City Manager, or other officer or employee of the City designated in writing by the City Manager to the Board, is hereby appointed to represent the City with authority to examine those sales, use and transactions tax records of the Board, for purposes related to the following governmental functions of the City:

- (a) City administration
- (b) Revenue management and budgeting
- (c) Community and economic development
- (d) Business license tax administration

The information obtained by examination of Board records shall be used only for those governmental functions of the City listed above.

SECTION 3. That Hinderliter, de Llamas & Associates is hereby designated to examine the sales, use and transactions tax records of the Board pertaining to sales, use and transactions taxes collected for the City by the Board. The person or entity designated by this section meets all of the following conditions:

- (a) has an existing contract with the City to examine those sales, use and transactions tax records;
- (b) is required by that contract to disclose information contained in, or derived from, those sales, use and transactions tax records only to the officer or employee authorized under Sections 1 or 2 of this resolution to examine the information;
- (d) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- (d) is prohibited by that contract from retaining the information contained in, or derived from those sales, use and transactions tax records, after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales, use and transactions taxes by the Board pursuant to the contract between the City and the Board and for purposes relating to the governmental functions of the City listed in section 2 of this resolution.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 4<sup>th</sup> day of December, 2013, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK  
CITY OF MARTINEZ