



# CITY OF POMONA COUNCIL REPORT

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September 10, 2018

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

By: Onyx Jones, Finance Director

Subject: **Adoption of a Resolution Superseding Resolution 2018-103 and Authorizing Hinderliter de Llamas and Associates (subsidiary of HdL Companies) to examine the sales, use and transaction tax records of the Department of Tax and Fee Administration, and Authorizing Certain City Officials Access Thereto**

## OVERVIEW

### **Recommendation – That the City Council:**

Adopt the attached Resolution Superseding Resolution 2018-103 and Authorizes Hinderliter de Llamas and Associates (subsidiary of HdL Companies) to examine the sales, use and transaction tax records of the Department of Tax and Fee Administration, and Authorizing Certain City Officials Access Thereto

**Fiscal Impact** – There is no fiscal impact associated with this action.

**Previous Council Action** – On July 16, 2018, Council approved the award of a contract to HdL Companies for Tax Reporting Monitoring and Analysis Services and adoption of a resolution authorizing Hinderliter de Llamas and Associates to examine the Sales, Use and Transaction Tax Records of the Department of Tax and Fee Administration, and authorizing certain City Officials to access the records.

**Previous Related Action** – Previously, MuniServices, LLC was awarded a contract on March 1, 2010 for tax reporting, monitoring and analysis services and on March 15, 2010 a resolution was adopted authorizing MuniServices, LLC to receive local sales tax records from the State Board of Equalization.

## EXECUTIVE SUMMARY

The Agreement with HdL Companies (CONTRACTOR) and Resolution 2018-103 (Attachment 1) were approved by Council on July 16, 2018. However, staff was informed by the Department of Tax and Fee Administration, that Resolution 2018-103 required additional confidentiality language specified in Section 7056 (b), (1) of the State of California Revenue and Taxation Code. This language will allow Hinderliter de Llamas and Associates (subsidiary of HdL

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Companies) and certain City Officials access to examine the sales, use and transaction tax records.

## **DISCUSSION**

The Agreement and Resolution 2018-103 were approved by Council on July 16, 2018. The Department of Tax and Fee Administration requires the following conditions specified in Section 7056 (b), (1) of the State of California Revenue and Taxation Code be stated in the approved resolution:

- A. CONTRACTOR is authorized by this Agreement to examine sales, use or transactions and use tax records of the Department of Tax and Fee Administration (DTFA) provided to CITY pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law.
- B. CONTRACTOR is required to disclose information contained in, or derived from, those sales, use or transactions and use tax records only to an officer or employee of the CITY who is authorized by resolution to examine the information.
- C. CONTRACTOR is prohibited from performing consulting services for a retailer, as defined in California Revenue & Taxation Code Section 6015, during the term of this Agreement.
- D. CONTRACTOR is prohibited from retaining the information contained in, or derived from those sales or transactions and use tax records, after this Agreement has expired. Information obtained by examination of Department of Tax and Fee Administration records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the CITY as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. The resolution shall designate the CONTRACTOR as a person, authorized to examine sales and use tax records and certify that this Agreement meets the requirements set forth above and in Section 7056 (b), (1) of the Revenue and Taxation Code.

Attachment 2 incorporates the above required conditions of the DTFA.

Attachments:

1. Original Resolution 2018-103 approved on July 16, 2018  
Revised Resolution

Prepared by: Shar Perez