

RESOLUTION R2020-\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
NAPA, STATE OF CALIFORNIA, AUTHORIZING THE CITY  
MANAGER AND HINDERLITER, DE LLAMAS &  
ASSOCIATES, LLC (HDL) TO EXAMINE SALES, USE AND  
TRANSACTIONS TAX RECORDS COLLECTED BY THE  
CALIFORNIA DEPARTMENT OF TAX AND FEE  
ADMINISTRATION ON BEHALF OF THE CITY

WHEREAS, pursuant to Napa Municipal Code Section 3.12.070, the City of Napa entered into a contract with the California Department of Tax and Fee Administration (formerly known as the State Board of Equalization) to perform all functions incident to the administration and collection of local sales, use and transactions taxes; and

WHEREAS, in 2017, as relevant to this resolution, the responsibilities of the State Board of Equalization ("Board") were transferred to the California Department of Tax and Fee Administration ("Department") pursuant to Assembly Bill 102 (Chapter 16), as codified at California Government Code Sections 15570.20 and 15570.20, and California Revenue and Taxation Code Section 20; and

WHEREAS, the City Council of the City of Napa deems it desirable and necessary for authorized representatives of the City to examine confidential sales, use and transactions tax records of the Department pertaining to sales, use and transaction taxes collected by the Department 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 Department 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 Department.

WHEREAS, the City Council of the City of Napa has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

1. The City Council hereby authorizes the City Manager to act on behalf of the City of Napa to implement any provision of this resolution, specifically including the authority to examine sales, use and transactions tax records of the Department pertaining to sales, use and transactions taxes collected for the City by the Department pursuant to the contract between the City and the Department. The information obtained by examination of Department records

## ATTACHMENT 1

shall be used only for purposes related to the collection of City sales, use and transactions taxes by the Department pursuant to that contract. As used in this resolution, the phrase "City Manager" is as defined by Napa Municipal Code Chapter 2.08, and shall include any other officer or employee of the City designated in writing by the City Manager to the Department.

2. The City Manager is hereby appointed to represent the City with authority to examine those sales, use and transactions tax records of the Department, 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 Department records shall be used only for those governmental functions of the City listed above.

3. The City Council hereby authorizes Hinderliter, de Llamas & Associates (the City's "Consultant") to examine the sales, use and transactions tax records of the Department pertaining to sales, use and transactions taxes collected for the City by the Department. The City Council hereby certifies that the City's Consultant meets all of the following conditions:
  - (a) The Consultant has an existing contract with the City to examine those sales, use and transactions tax records;
  - (b) The Consultant 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.
  - (c) The Consultant is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
  - (d) The Consultant 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.

## ATTACHMENT 1

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

4. The City Council hereby requests the Department to authorize the City Manager and the City's Consultant to exercise the authority set forth in this resolution, pursuant to California Revenue and Taxation Code Section 7056.
5. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct and establish the factual basis for the City Council's adoption of this Resolution.
6. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 19th day of May, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_

Tiffany Carranza  
City Clerk

Approved as to form:

\_\_\_\_\_  
Michael W. Barrett  
City Attorney