

RESOLUTION NO. 2024-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AUTHORIZING EXAMINATION OF SALES OR
TRANSACTIONS AND USE TAXES RECORDS**

WHEREAS, pursuant to Ordinance Number 2562 of City of Merced (“City”), and Revenue and Taxation Code section 7270, the City entered into an agreement with the California Department of Tax and Fee Administration (“Department”) to perform all functions incident to the administration and collection of transactions and use taxes;

WHEREAS, the City Council of the City deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected by the Department for the City pursuant to that agreement; and,

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That the Finance Officer, or other officers or employees of the City designated in writing by the Finance Officer to the Department is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the City by the Department pursuant to the agreement between the City and the Department.

SECTION 2. The information obtained by examination of Department records shall be used only for purposes related to the collection of City transactions and use taxes by the Department pursuant to that agreement.

SECTION 3. That Hinderliter, de Llamas and Associates (“HdL”) is hereby designated to examine the transactions and use tax records of the City pertaining to transactions and use taxes collected for the City by the Board. The entity designated by this Section meets all of the following conditions, which are also included in the agreement between the City and HdL:

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

The information obtained by examination of Department records shall be used only for purposes related to the collection of City transactions and use taxes by the Department pursuant to the agreement between the City and the Department.

SECTION 4. That this Resolution supersedes all prior resolutions of the City Council of the City adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

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PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2024, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:
MATTHEW SERRATTO, MAYOR

Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

Craig Cornwell 4/8/2024
City Attorney Date