

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: January 16, 2024
Reviewed by: NA

SUBJECT: Examination of Transactions (Sales) and Use Tax Records

REPORT BY: Jeff Bond, Community Development Director

SUMMARY

The action before the City Council is to update a City Council Resolution regarding the inspection of confidential sales tax data.

STAFF RECOMMENDATION

That Council adopt Resolution No. 2024-06, authorizing the examination of Transactions (Sales) and Use Tax records.

BACKGROUND

The California Department of Tax and Fee Administration (formerly known as the Board of Equalization) collects sales tax revenues on behalf of the City. Individual business sales tax records are confidential, and the use of the information is limited to City tax revenue management and financial planning purposes. Pursuant to Revenue and Taxation Code Section 7056, the City Council is required to approve by resolution the employees and contractors are authorized to examine the confidential transactions and use tax records of the Department of Tax and Fee Administration.

DISCUSSION

It is recommended that the City Manager be authorized to designate both staff and consultants to review sales and use tax records. Access to the sales tax information would be only for the purposes of tax administration and financial planning. The proposed resolution is based on a template provided by the Department of Tax and Fee Administration.

Similar resolutions, [No. 2013-17](#) and [No. 2021-39](#), were adopted by the City Council on May 6, 2013, and May 3, 2021. Those resolutions specified a specific consultant, MuniServices, LLC (doing business as “Avenu Insights & Analytics”). The proposed revised Resolution authorizes the City Manager to designate the consultants that may review sales tax information. In the near term, this modification will allow the City to have an

economic consultant begin to undertake a fiscal analysis of the implications of the closure of the Golen Gate Fields racetrack.

SUSTAINABILITY CONSIDERATIONS

None.

SOCIAL EQUITY AND INCLUSIVITY CONSIDERATIONS

None.

CITY COUNCIL STRATEGIC PLAN INITIATIVES

None.

FINANCIAL CONSIDERATIONS

None.

Attachments

1. Resolution No. 2024-06

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RESOLUTION NO. 2024-06

**A RESOLUTION OF THE ALBANY CITY COUNCIL AUTHORIZING THE
EXAMINATION OF TRANSACTIONS (SALES) AND USE TAX RECORDS**

WHEREAS, pursuant to Ordinance No. 2012-03 of the City of Albany hereinafter called City and Section 7270 of the Revenue and Taxation Code, the City entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and operation of the Transactions and Use Tax Ordinance; and

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

WHEREAS, Section 7056 of the 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 transactions and use tax records of the Department.

NOW THEREFORE, BE IT RESOLVED 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 Department, is hereby appointed to represent the City with authority to examine transactions and use tax records of the Department pertaining to transactions and use 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 shall be used only for

1 purposes related to the collection of the City's transactions and use taxes by the
2 Department pursuant to the contract.

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4 **Section 2.** That the City Manager, or other officer or employee of the City
5 designated in writing by the City Manager to the Department, is hereby appointed to
6 represent the City with authority to examine those transactions and use tax records of
7 the Department for purposes related to the following governmental functions of the
8 City: a) budget forecasting; b) revenue enhancement; and c) verification of business
9 license. The information obtained by examination of Department records shall be used
10 only for those governmental functions of the City listed above.

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12 **Section 3.** That any consultant or contractor hired by the City Manager, or other
13 office or employee designated by the City Manager to the Department, is hereby
14 designated to examine the transactions and use tax records of the Department pertaining
15 to transactions and use taxes collected for the City by the Department, provided the
16 person or entity designated by this section meets all of the following conditions:

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18 a) Has an existing contract with the City to examine those transactions and use
19 tax records;
- 20 b) Is required by that contract to disclose information contained in or derived
21 from those transactions and use tax records only to the officer or employee
22 authorized under Section 1 or Section 2 of this resolution to examine the
23 information;
- 24 c) Is prohibited by that contract from performing consulting services for a
25 retailer during the term of that contract;
- 26 d) Is prohibited by that contract from retaining the information contained in, or
27 derived from those transactions and use tax records after that contract has
28 expired.

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