DEPARTMENT: Administration

BY: Rich Inman, CAO
PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION:

Authorize Chairman of the Board to execute agreement between the County of Mariposa and Hinderliter, De Llamas and Associates and adopt resolution entitled "A Resolution of the Board of Supervisors Authorizing the Examination of Sales and Use Tax Records and authorize transfer of $1,200 from line item 412.04-19 (Sesquicentennial) to line item 412.04-18 (Professional Services).

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The General Plan of Mariposa County will contain an Economic Development Element for the purpose of enhancing economic development in the County. In order to accomplish this and to strengthen the Economic Development function in the Administrative Office a mechanism needs to be in place to review and track composite retail data in the County. Hinderliter, De Llamas and Associates is an experienced firm that currently is under contract with 38 California counties to perform this sales and use tax analysis (see attachment). The following services will be provided:

- Establish a special data base that identifies the name, address, seller's permit information and quarterly allocation of all sales tax generated within the County for the most current and previous seven quarters from date of the Agreement;
- Provide user manuals with software and training at the County's location;
- Conduct initial and on-going sales tax audit to ensure County is receiving its due revenue; and
- Prepare and submit to the State Board of Equalization all information necessary to correct allocation errors;

The Economic Development Corporation of Mariposa County recommends this request.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Don't approve execution of Agreement and continue to function as we are.

Financial Impact? (X) Yes ( ) No  Current FY Cost $600.00  Annual Recurring Cost: $1,200
Budgeted In Current FY? (X) Yes ( ) No ( ) Partially Funded
Amount in Budget: $20,000
Additional Funding Needed: $
Source:
Internal Transfer
Unanticipated Revenue
Transfer Between Funds
Contingency
( ) General ( ) Other

LIST ATTACHMENTS, NUMBER PAGES CONSECUTIVELY

Sample reports
Agreement
Resolution
Client list

CLERK'S USE ONLY:
Res. No.: 05-30  Ord. No. _____
Vote - Ayes: _____  Noes: _____
Absent: _____
( ) Approved  A) Minute Order Attached  ( ) No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.
Date: ______________
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By: ______________
Deputy

COUNTY ADMINISTRATIVE OFFICER:
( ) Requested Action Recommended
( ) No Opinion
Comments: ________________________________

CAO: ______________

Revised Dec. 2002
MARIPOSA COUNTY RESOLUTION NO. 05-30

A RESOLUTION OF THE COUNTY OF MARIPOSA AUTHORIZING THE EXAMINATION OF SALES AND/OR USE TAX RECORDS

WHEREAS, pursuant to Ordinance 176, the County of Mariposa entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local sales and/or use taxes; and

WHEREAS, the County Administrative Officer of the County of Mariposa deems it desirable and necessary for authorized representatives of the County to examine confidential sales and/or use tax records of the State Board of Equalization pertaining to sales and/or use taxes collected by the State Board of Equalization for the County pursuant to that contract; and

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

NOW, THEREFORE BE IT RESOLVED:

Section 1: That the County Administrative Officer, or other officer or employee of the County designated in writing by the Board of Supervisors to the State Board of Equalization (hereafter referred to as Board) is hereby appointed to represent the County of Mariposa with authority to examine sales and/or use tax records of the Board pertaining to sales and/or use taxes collected for the County by the Board pursuant to the contract between the County and the Board.

Section 2: That the County Administrative Officer, or other officer or employee of the County designated in writing by the County Administrative Officer to the Board, is hereby appointed to represent the County with authority to examine those sales and/or use tax records of the Board, for purposes related to the following governmental functions of the County:

(a) County Administration  
(b) Revenue Management  
(c) Community Economic Development and Tourism  
(d) County Budgeting

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

Section 3: That Hinderliter, De Llamas and Associates is hereby designated to examine the sales and/or use tax records of the Board pertaining to sales and/or use taxes collected for the County by the Board. The person or entity designated by this section meets all the following conditions:
(a) has an existing contract with the County to examine those sales and/or use tax records; and

(b) is required by that contract to disclose information contained in or derived from, those sales and/or use tax records only to the officer or employee authorized under Sections 1 or 2 of this resolution to examine the information; and

(c) 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 and/or use tax records, after that contract has expired or been terminated.

The information obtained by examination of Board records shall be used only for purposes related to the collection of County sales and/or use taxes by the Board pursuant to the contract between the County and the Board and for purposes relating to the governmental functions of the County listed in Section 2 of the Resolution.

PASSED AND ADOPTED by the Board of Supervisors of Mariposa County on this 25th day of January 2005, by the following vote:

Ayes: STETSON, TURPIN, BIBBY, FRITZ, PICKARD
Noes: NONE
Abstained: NONE

BOB PICKARD, Chairman

Attest: Approved as to Form
Margie Williams, Clerk of the Board and Legal Sufficiency:

Thomas P. Guarino, County Counsel
### BUDGET ACTION FORM

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<th>FUND</th>
<th>DEPT/DIV</th>
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<td>0418</td>
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<td>414-1090</td>
<td>GENERAL CONTINGENCY</td>
<td></td>
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</table>

**TOTAL** $600 $600

### TRANSFER BETWEEN FUNDS

### TOTALS

$0 $0

**ACTION REQUESTED:**

- Budget appropriation by Board of Supervisors (4/5ths Vote Required): Amending the total amount available in the county budget, or in any one fund of the budget, or appropriating Reserve for Contingencies;

- Transfer by Board of Supervisors (3/5ths Vote Required): Moving existing appropriations from one budget to another, or between categories within a budget unit;

**JUSTIFICATION:** Funding for contract with HDL Associates for Examination of Sales and Use Tax Records.

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**DEPT HEAD SIGNATURE**

**DATE:** 2-1-05

**APPROVED BY RES NO.**

**DATE:** 1-25-05

**AUDITOR'S USE ONLY**

**BA #**

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Budget Revision Form Revised 11/95
MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: RICH INMAN, County Administrative Officer

FROM: MARGIE WILLIAMS, Clerk of the Board

SUBJECT: AGREEMENT BETWEEN THE COUNTY OF MARIPOSA AND HINDERLITER, DE LLAMAS AND ASSOCIATES FOR ANALYSIS OF COUNTY GENERATED SALES TAX AND EXAMINATION OF COUNTY GENERATED SALES AND USE TAX

Resolution No. 05-30

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on January 25, 2005

ACTION AND VOTE:

Authorize Chairman of the Board of Supervisors to Execute Agreement Between the County of Mariposa and Hinderliter, De Llamas, and Associates for Analysis of County Generated Sales Tax; Adopt a Resolution Authorizing Examination of County Generated Sales and Use Tax; and Approve Budget Action Transferring Funds within the Administration Budget to Cover the Cost of the Contract with HDL Associates ($1,200) (County Administrative Officer)

BOARD ACTION: Rich Inman, County Administrative Officer, initiated discussion relative to the proposal. Discussion was held relative to the process for analyzing and auditing the taxes paid by the private businesses and having the County Administrative Officer serve as a buffer in that process. Supervisor Bibby asked that the language be clarified in the contract so that it is clear that we are not telling businesses how to do their business; and she asked about safeguards for protecting the proprietary information. Supervisor Pickard clarified that the intent of this proposal is to make sure that the County is getting its fair share of the tax from the State. Rich Inman recommended that the Board just authorize the analysis at this time and not the audits and adjust the budget action accordingly, and the Board concurred. He also advised that he will ask the contractor to give a presentation to the Board on how they conduct their audits and interface with the businesses. (M)Stetson, (S)Fritz, Res. 05-30 was adopted approving the agreement for just the analysis portion, and with the change in the budget action to transfer $600 for the balance of this fiscal year/Ayes: Unanimous.

cc: Mary Hodson, Deputy County Administrative Officer
    Ken Hawkins, Auditor
    Tom Guarino, County Counsel
    File