



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

**C-9**

333 West Ocean Boulevard 6<sup>th</sup> Floor • Long Beach, CA 90802 • (562) 570-5400 • Fax (562) 570-5414

June 20, 2017

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt a Resolution amending Resolution No. 16-0062 authorizing the City Manager, or designee, and MuniServices, LLC, to examine records relating to Sales or Transactions and Use Tax, collected by the California State Board of Equalization; and,

Authorize the City Manager, or designee, to execute the necessary documents, including any amendments, with MuniServices, LLC, to implement the adopted Resolution amending Resolution No. 16-0062. (Citywide)

## DISCUSSION

State law requires that local jurisdictions adopt a Resolution authorizing consultants to review California State Board of Equalization (BOE) records to perform revenue recovery services. On July 19, 2016, following the passage of Measure A, the City Council approved Resolution No. 16-0062 to authorize MuniServices, LLC (MuniServices), access to BOE records related to Transactions and Use Tax.

However, according to the BOE, although the current Resolution No. 16-0062 authorizes access to Sales and Use Tax records, it does not state that MuniServices is authorized to access records related to the Transactions and Use Tax Ordinance (Measure A). This recommendation is a technical correction and will amend Resolution No. 16-0062 to specify that MuniServices has authorized access to Measure A records, in addition to Sales and Use Tax, in accordance with BOE guidelines.

This matter was reviewed by Deputy City Attorney Amy R. Webber on June 6, 2017 and by Budget Management Officer Rhutu Amin Gharib on June 5, 2017.

## TIMING CONSIDERATIONS

City Council action is requested on June 20, 2017, to allow for MuniServices access to BOE records so that they can promptly conduct analysis and review of Measure A.

HONORABLE MAYOR AND CITY COUNCIL  
June 20, 2017  
Page 2

FISCAL IMPACT

There is no fiscal or local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

JG:GA  
K:\REVENUE MANAGEMENT\Contract Management\MuniServices, LLC

APPROVED:

  
PATRICK H. WEST  
CITY MANAGER

1 RESOLUTION NO.  
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH AMENDING RESOLUTION NO.  
5 RES-16-0062 DESIGNATING MUNISERVICES, LLC TO  
6 EXAMINE SALES OR TRANSACTIONS AND USE TAX  
7 RECORDS OF THE CITY OF LONG BEACH  
8

9 WHEREAS, on July 19, 2016, the City Council authorized a contract with  
10 the State Board of Equalization ("Board") to perform all functions incident to the  
11 administration and collection of the Transactions and Use Tax adopted by the voters and  
12 the local sales and use taxes; and

13 WHEREAS, on July 19, 2016, the City Council adopted Resolution No.  
14 RES-16-0062, authorizing the City Council to designate MuniServices, LLC as an  
15 authorized City consultant to examine sales and use tax records of the City; and

16 WHEREAS, the Board has requested a resolution specifically designating  
17 MuniServices, LLC as the authorized entity to review records related to Measure A; and

18 WHEREAS, City deems it necessary for authorized representatives of City  
19 to examine confidential sales and transactions and use tax records of the Board  
20 pertaining to sales and transactions and use taxes collected by the Board for City; and

21 WHEREAS, Section 7056 of the California Revenue and Taxation Code  
22 sets forth certain requirements and conditions for the disclosure of Board records and  
23 establishes criminal penalties for the unlawful disclosure of information contained in, or  
24 derived from sales or transactions and use tax records of the Board; and

25 WHEREAS, Section 7056 of the California Revenue and Taxation Code  
26 requires that any person designated by City shall have an existing contract to examine  
27 City's sales and transactions and use tax records;

28 ///

1                   NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
2 follows:

3                   Section 1.     That the Assistant Director of the Department of Financial  
4 Management, or other officer or employee of City designated in writing by the City  
5 Manager to the State Board of Equalization is hereby appointed to represent City with  
6 authority to examine all of the sales and transactions and use tax records of the Board  
7 pertaining to sales and transactions and use taxes collected for City by the Board of  
8 Equalization pursuant to the contract between City and the Board. Information obtained  
9 by examination of Board records shall be used for purposes related to the collection of  
10 City's sales and transactions and use taxes by the Board pursuant to the contract.

11                  Section 2.     That the Assistant Director of the Department of Financial  
12 Management, or other officer or employee of City designated in writing by the City  
13 Manager to the Board, is also hereby appointed to represent City with the authority to  
14 examine those sales and transactions and use tax records of the Board for purposes  
15 related to the following governmental functions of City:

- 16                   A.     Tracking and economic development;
- 17                   B.     Forecasting and budget related functions;
- 18                   C.     Detection of misallocations and deficiencies.

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

21                  Section 3.     That MuniServices, LLC is hereby designated and authorized  
22 to examine all of the sales and transactions and use tax records of the Board pertaining  
23 to all sales and use taxes collected for City and any transaction and use taxes collected  
24 for City under the following Transactions and Use Tax Ordinances and any future  
25 Transactions and Use Tax Ordinances that may be enacted in the City: Measure A  
26 (LBTG) - Effective January 1, 2017. The person or entity designated by this Section  
27 meets all of the following conditions:

28     ///

1           A.     Has an existing contract with City to examine sales and  
2 transactions and use tax records;

3           B.     Is required by that contract to disclose information contained  
4 in, or derived from those sales and transactions and use tax records only to  
5 an officer or employee authorized under Section 1 of this resolution to  
6 examine the information;

7           C.     Is prohibited by that contract from performing consulting  
8 services for a retailer during the term of that contract;

9           D.     Is prohibited by that contract from retaining the information  
10 contained in, or derived from those sales and transactions and use tax  
11 records after that contract has expired.

12           Section 4.   The information obtained by examination of Board records  
13 shall be used only for purposes related to the collection of City's sales and transactions  
14 and use taxes by the Board pursuant to the contracts between City and the Board and for  
15 purposes relating to the governmental functions of City listed in Section 2 of this  
16 resolution.

17           Section 5.   This resolution shall take effect immediately upon its adoption  
18 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

19   ///  
20   ///  
21   ///  
22   ///  
23   ///  
24   ///  
25   ///  
26   ///  
27   ///  
28   ///

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Lona Beach, CA 90802-4664

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2017, by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk