



City of Grass Valley City Council Agenda Action Sheet

Title: Hinderliter de Llamas & Associates (HdL) Sales, Use and Transactions Tax Services Contract Amendment

CEQA: Not a project

Recommendation: It is recommended that the City Council adopt Resolution No.2024-20 approving a contract amendment between the City of Grass Valley and Hinderliter de Llamas & Associates (HdL) for Sales, Use and Transactions Tax Services

Prepared by: Andy Heath

Council Meeting Date: 04/23/2024

Date Prepared: 04/17/2024

Agenda: Consent

Background Information: Hinderliter de Llamas & Associates (HdL) has provided sales, use and transactions tax audit and information services to the City since 2001. This contract has allowed HdL to work the State of California Department of Tax and Fee Administration (CDTFA) to monitor sales tax records and identify misallocations of sales tax to other jurisdictions, while also providing in depth quarterly analysis on sales taxes received by the City. Since 2001, HdL's team of consultants have provided a high level of sales tax expertise and auditing services, working to assure the City regularly receives it's appropriate share of sales tax.

The City currently collects two components of sales, use and transactions tax - (1) the local 1% share provided to all incorporated cities, and (2) the Measure E 1% transactions tax. Although HdL's current contract provide allows for the provision of sales tax services for the local 1% share, and the Measure E 1%, it does not allow such services for the Measure B transactions tax. As such, a contract amendment is required before HdL can begin providing sales tax and auditing services for Measure B 3/8% transaction tax.

Council Goals/Objectives: The approval of the amended contract between HdL and the City executes a portion of the work tasks towards achieving Economic Development and Vitality; and High Performance Government and Quality Service.

Fiscal Impact: Annual costs of less than \$2000 for Measure B transactions tax administration will be borne by the Measure B Fund. Payments to HdL for audits

conducted will be sourced from the proceeds of newly generated Measure B transaction taxes as they are collected by the City.

Funds Available: Yes

Account #: Measure B Fund

Reviewed by: City Manager

Attachments:

- Resolution 2024-20 - Sales Tax Services Contract Amendment
- Second Amendment to Agreement for Sales, Use and Transactions Tax Service - City of Grass Valley and HdL
- 2001 Agreement for Sales Tax and Information Service - City of Grass Valley and HdL