

STAFF REPORT

City of Lancaster

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12/10/2024
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Date: December 10, 2024

To: Mayor Parris and City Council Members

From: George N. Harris II, Senior Director/Treasurer – Administrative Services

Subject: Resolution 24-xx Authorizing the City Manager to execute the Agreements with the California Department of Tax and Fee Administration; Resolution 24-xx Authorizing the Examination of Transactions (Sales) and Use Tax Records; Agreement for Transactions Tax Audit and Informational Services with Hinderliter, de Llamas & Associates (HdL, Companies) to Provide Sales Tax consulting services for Measure YM revenues.

Recommendation:

- Approve Resolution No. 24-xx, Authorizing the City Manager to execute the Agreements with the California Department of Tax and Fee Administration.
- Approve Resolution No. 24-xx, Authorizing the Examination of Transactions (Sales) and Use Tax Records.
- Approve the execution of the Agreement for Transactions Tax Audit & Information Services with Hinderliter, de Llamas & Associates to provide sales tax consulting services for Measure YM revenues.
- Authorize the City Manager or designee to execute all contracts and associated documents, subject to City Attorney approval.

G.C. Section 84308: No

Fiscal Impact:

Consulting fees payable to Hinderliter de Llamas & Associates associated with Measure YM revenues are estimated at \$1,200.00 per quarter.

Background:

On November 5, 2024, the City of Lancaster's voters approved the City of Lancaster Transactions and Use Tax Ordinance by the required majority vote.

In order to begin collecting the tax, it is required that the City Council approve the Agreement for Preparation to Administer and Operate City's Transaction and Use Tax Ordinance AND the Agreement for State Administration of City Transactions and Use Taxes with the California State Department of Tax and Fee Administration for the purpose of making preparations to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code for the collecting and transmitting to the City of Lancaster of the $\frac{3}{4}$ cent Transaction and Use Tax **BY RESOLUTION**. Resolution 24-xx is presented to confirm the Council's intent by resolution (see attachment a).

In addition to the Resolutions authorizing the execution of the two agreements, a Resolution must be approved that designates individuals on the City staff who are authorized to examine the transaction records that generate the tax (see attachment b).

A new Agreement for Transactions Tax Audit & Information Services will be executed between the City of Lancaster and Hinderliter, de Llamas & Associates authorizing the Measure YM sales tax consulting services, eliminating the need for any further Council action (see attachment c).

Attachment:

- A. Resolution 24-xx: Authorizing the City Manager to Execute Agreements with the California Department of Tax and Fee Administration.
- B. Resolution 24-xx: Authorizing the Examination of Transactions (Sales) and Use Tax Records.
- C. Agreement for Transactions Tax Audit and Information Services with Hinderliter de Llamas and Associates.