

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COMMERCE AUTHORIZING EXAMINATION OF SALES OR
TRANSACTIONS AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance Number 831, the City of Commerce entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of sales and use taxes; and

WHEREAS, pursuant to Ordinance Number 831, Revenue and Taxation Code section 7270, 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 collection of transactions and use taxes; and

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

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council of the City of Commerce hereby finds and declares that the foregoing recitals are true and correct, and incorporates them herein as findings and as a substantive part of this Resolution.

Section 2. That the Director of Finance, or other officer or employee of the City designated in writing by the City Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.

Section 3. The information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to that contract.

Section 4. That Hinderliter de Llamas and Associates is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and Hinderliter de Llamas and Associates:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to the contract between the City and the Department.

Section 5. That this Resolution supersedes all prior resolutions of the City Council of the City of Commerce adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

Section 6. The Mayor is authorized to execute this Resolution for and on behalf of the City of Commerce.

Section 7. The City Clerk shall certify to the adoption of this Resolution.

Section 8. This Resolution shall take full force and effect immediately upon adoption by the City Council.

PASSED, APPROVED, AND ADOPTED this 14th day of July 2026.

Kevin Lainez, Mayor

ATTEST:

Pat Jacquez-Nares, Interim City Clerk

I, Pat Jacquez-Nares, Interim City Clerk of the City of Commerce, California, DO
HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by
the City Council of the City of Commerce, at a regular meeting of said Council held on the 14th
day of July, 2026, by the following roll call vote:

Ayes:

Noes:

Absent:

Pat Jacquez-Nares, Interim City Clerk