



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/03/2021

ITEM NO: 9

DATE: July 21, 2021

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT:

- a. Adopt a Resolution Required by the California Department of Tax and Fee Administration.
- b. Rescind Resolution 2019-002 A Resolution of the Town Council of the Town of Los Gatos, Authorizing Certain Town Representatives and a Town Contractor Access to Sales, Transactions and Use Tax Records Pursuant to Revenue and Taxation Code Section 7056.
- c. Authorize Amendment and Novation Agreement Between Avenu Insights & Analytics, LLC and MuniServices, LLC for Consultant Services Related to Sales Tax Information and District Tax Information.

RECOMMENDATION:

- a. Adopt a Resolution required by the California Department of Tax and Fee Administration (Attachment 1).
- b. Rescind Resolution 2019-002 A Resolution of the Town Council of the Town of Los Gatos, authorizing certain Town representatives and a Town contractor access to sales, transactions and use tax records pursuant to Revenue and Taxation Code Section 7056 (Attachment 2).
- c. Authorize Amendment and Novation Agreement between Avenu Insights & Analytics, LLC and MuniServices, LLC for consultant services related to sales tax information and district tax information (Attachment 3).

BACKGROUND:

Los Gatos voters approved Measure G at the November 6, 2018 election. The passage of Measure G added Chapter 2.60 of the Los Gatos Town Code establishing a one-eighth cent (0.125%) local (i.e., District) transactions and use tax. The tax will remain in effect for 20 years.

PREPARED BY: Stephen Conway
Finance Director

Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

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SUBJECT: Adoption of resolution required by the California Department of Tax and Fee Administration

DATE: July 21, 2021

BACKGROUND (cont'd):

On January 15, 2019, the Town Council adopted two resolutions regarding the implementation of the new district sales tax (Measure G).

DISCUSSION:

The Town of Los Gatos received notice from Avenu MuniServices LLC that the California Department of Tax and Fee Administration's (CDTFA) Legal Department is now requiring that all Sales, Transaction, and Use Tax contracts and resolutions consistently reference the same company name, MuniServices LLC, to properly comply with Revenue and Taxation Code section (RTC) 7056, section, subdivision (b).

Through acquisition, the company name has varied at times; however, MuniServices LLC is and always has been the registered legal entity. For that reason, the CDTFA issued a ruling that any contracts and/or resolutions that do not reference the company name of MuniServices LLC must be corrected. CDTFA Legal has agreed that this can be done with a contract novation agreement referencing our existing contract, which they have previously approved. Additionally, an updated resolution will need to be provided for the same purpose to ensure consistency on all documentation so that we have no interruption in receiving our sales tax data.

CONCLUSION:

Council should move for the adoption of the attached resolution and authorization of the attached amendment.

FISCAL IMPACT:

There is no fiscal impact to adopting this resolution and amending the contract.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Draft Resolution authorizing examination of Sales or Transactions and Use Tax Records
2. Resolution 2019-002 A Resolution of the Town Council of the Town of Los Gatos, authorizing certain Town representatives and a Town contractor access to sales, transactions and use tax records pursuant to Revenue and Taxation Code Section 7056
3. Amendment and Novation Agreement between Avenu Insights & Analytics, LLC and MuniServices, LLC for consultant services related to sales tax information and district tax information