



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**  
County Manager



**DATE:** September 23, 2013  
**BOARD MEETING DATE:** October 8, 2013  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors  
**FROM:** John L. Maltbie, County Manager  
**SUBJECT:** Amendment to Agreement with Hinderliter, de Llamas and Associates (HdL)

**RECOMMENDATION:**

Adopt a Resolution authorizing the County Manager to execute an amendment to the agreement with Hinderliter, de Llamas and Associates, designating HdL to examine the State Board of Equalization's Transactions and Use Tax Records regarding the County pursuant to California Revenue and Taxation Code Section 7056.

**BACKGROUND:**

The County has a long standing relationship with HdL as its primary sales and use tax consultant. This includes sales tax allocation audit and recovery services, representing and/or advising the County in hearings before the State Board of Equalization regarding sales and use tax allocations, and providing quarterly reports and revenue projections.

**DISCUSSION:**

The current resolution and agreement with HdL on file with the State Board of Equalization are limited to sales and use tax activity. They do not allow HdL to access transaction taxes, like the Measure A half-cent tax, which is classified separately from the Bradley-Burns local sales and use tax. In compliance with Revenue and Taxation Code Section 7056, this amendment will allow HdL to access the County's Measure A sales tax activity in order to provide revenue projections and quarterly reports to the County at no additional cost. The agreement will further be modified by adding a 25% audit fee for any recovery of Measure A funds that is the direct result of audit and recovery work performed by HdL.

County Counsel has reviewed and approved the Resolution and Amendment as to form.

Approval of this Resolution and Amendment contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that sound practices are used to project Measure A sales tax revenues for budgeting and reporting purposes.

**FISCAL IMPACT:**

Any audit fees paid to HdL will be the direct result of increased Measure A proceeds accruing to the County through audit and recovery work performed by HdL.