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GENERAL MANAGER

Eddy Cumins

May 20, 2026

Sonoma- Marin Area Rail Transit Board of Directors
5401 Old Redwood Highway, Suite 200
Petaluma, CA 94954

SUBJECT: Authorization for Examination of Sales or Transactions and Use Tax Records

Dear Board Members:

RECOMMENDATIONS: Adopt Resolution No. 2026-13 authorizing the General Manager and his designee(s) and Hinderliter, de Llamas & Associates dba HdL Companies the ability to examine sales or transactions and use tax record.

SUMMARY:

HdL Companies has been retained to provide sales tax auditing and forecasting services for SMART. To perform these functions, HdL must access confidential taxpayer information. This resolution authorizes both designated SMART staff and HdL to access such information, as necessary to fulfill their respective responsibilities.

BACKGROUND:

Since 2011, SMART has utilized MuniServices, LLC. to perform sales tax auditing and forecasting services. Following a recent Request for Proposals (RFP) process, SMART selected HdL Companies as the new service provider.

The California Department of Tax and Fee Administration (CDTFA) requires governing board authorization to grant access to confidential sales and use tax records due to the sensitive nature of the information.

This resolution provides for the following:

1. Delegation of Authority: Authorizes the General Manager to designate SMART staff who may access confidential tax information.

2. Consultant Access: Authorizes HdL Companies, as SMART's current consultant, to access necessary records.

3. Transition Continuity: Authorizes MuniServices, LLC. to retain access solely for matters initiated on SMART's behalf prior to the expiration of their contract.

FISCAL IMPACT:

Access to the data will enable HdL to fulfill their contractual requirements, which will most likely result in positive collection of sales and use tax although the amount is difficult to determine.

Sincerely,

/s/

Heather McKillop
Chief Financial Officer

Attachment: Resolution No. 2026-13

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS**

WHEREAS, pursuant to Ordinance NO. 2008-01 of the Sonoma-Marín Area Rail Transit District (District), and Revenue and Taxation Code section 7270, the District 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 Board of the District deems it desirable and necessary for authorized officers, employees and representatives of the District to examine confidential sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected by the Department for the District 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; and

NOW, THEREFORE, BE IT RESOLVED

Section 1. That the General Manager or other officer or employee of the District designated in writing by the General Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the District with authority to examine sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the District by the Department pursuant to the contract between the District and the Department.

Section 2. The information obtained by examination of Department records shall be used only for purposes related to the collection of District transactions and use taxes by the Department pursuant to that contract.

Section 3. That Hinderliter, de Llamas & Associates dba HdL Companies is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the District 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 District and HdL Companies:

- a) has an existing contract with the District 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;

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- 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 District transactions and use taxes by the Department pursuant to the contract between the District and the Department.

Section 4. That MuniServices, LLC is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to any petition or appeal for the reallocation and/or redistribution of sales or transactions and use taxes that was filed by MuniServices LLC on behalf of the District pursuant to the contract between MuniServices, LLC. and District. The person or entity designated by this section meets all the following conditions, which are also included in the contract between the District and MuniServices, LLC.:

- a) has an existing contract with the District 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.

Section 5. That this resolution supersedes all prior resolutions of the Board of the District adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Sonoma-Marin Area Rail Transit District held on the 20th day of May 2026, by the following vote:

DIRECTORS:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chris Coursey, Chair, Board of Directors
Sonoma-Marin Area Rail Transit District

ATTEST:

Kyreen Jorgensen, Clerk of the Board of Directors
Sonoma-Marin Area Rail Transit District