Meeting Date: **9/1/2015**

Report Type: Consent

Report ID: 2015-00726

City of SACRAMENTO 09

City Council Report
915 I Street, 1st Floor
www.CityofSacramento.org

Title: Authority to Collect and Examine Utility Users Tax on Prepaid Wireless

Location: Citywide

Recommendation: Pass 1) a Resolution authorizing the City Manager to execute an agreement with the State Board of Equalization for implementation of the Local Prepaid Mobile Telephony Services Collection Act; and 2) a Resolution authorizing the examination of prepaid mobile telephony services surcharge and local charge records.

Contact: Brad Wasson, Revenue Manager, (916) 808-5844, Department of Finance

Presenter: None

Department: Finance
Division: Revenue Administration
Dept ID: 06001211
Attachments:
1-Description/Analysis
2-Resolution (Authority to Execute Agreement)
3-Resolution (Authority to Examine Records)
4-Agreement for Prepaid Wireless
5-Certification

City Attorney Review

Approved as to Form
Steve Itagaki
8/20/2015 10:01:34 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 8/10/2015 1:34:33 PM

Description/Analysis

Issue Detail: The city's utility user tax (UUT) on wireless telecommunication services is required to be collected from the user by the wireless service providers. (SCC 3.32.030.C.) For subscription services, the UUT is usually collected from the user by a charge on the user's monthly invoices. In contrast to this arrangement, users who purchase prepaid wireless telecommunication services usually avoid paying any UUT because there is no contract with the service providers and the prepaid wireless services are usually sold by retailers, not service providers themselves. It is estimated that approximately 70% of all prepaid wireless services are sold by retailers. Since the City is not receiving the UUT for these transactions, we experience a significant loss of revenue. Additionally, prepaid and postpaid wireless telecommunication service users are treated disparately and the burden of the UUT is not equally shared among all telephone users.

Policy Considerations: Beginning January 1, 2016, AB 1717 will take effect and solve the collection problem by requiring California retailers and online sellers of prepaid wireless telecommunication services to collect the local UUT at the same time it collects sales tax on its other retail products, at the point of sale. Under this new law, these charges will be administered and collected by the California State Board of Equalization (BOE). In order to receive the UUT imposed on consumers of prepaid wireless telecommunication service, all local jurisdictions must contract with the BOE for the collection services and certify that the City's ordinance applies its UUT to prepaid mobile telephony services. (Pub. Util. Code § 42101.5.)

Economic Impacts: None.

Environmental Considerations: This action is not a project that is subject to the California Environmental Quality Act (CEQA) because it is an administrative activity and relates to government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (CEQA Guidelines § 15378(b)(2) and (b)(4)).

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: Adoption of these resolutions will enable the City to enter into an agreement with the BOE to collect the City's UUT on prepaid wireless telecommunication services and thus ensure wireless users are taxed equally.

Financial Considerations: Any revision to the FY2015/16 budgeted UUT will be evaluated and if necessary adjusted with the Midyear Budget report.

Local Business Enterprise (LBE): Not applicable to agreements with other governmental agencies.

RESOLUTION NO. _____

A RESOLUTION OF THE City of Sacramento (Local Jurisdiction)
AUTHORIZING the City Manager (Title of Authorized Position) **TO EXECUTE**
AGREEMENT WITH THE STATE BOARD OF EQUALIZATION FOR IMPLEMENTATION OF THE LOCAL PREPAID MOBILE TELEPHONY SERVICES COLLECTION ACT

WHEREAS, on 9/1/2015 (Date), the City of Sacramento (Local Jurisdiction) certified that Ordinance No. 3.32 applies its local charge(s) (access to 911 or communication services and/or utility user tax) to prepaid mobile telephony services; and

WHEREAS, the Local Prepaid Mobile Telephony Services Collection Act, mandates the Board of Equalization (Board) to administer and collect the local charges for all applicable local jurisdictions (Rev. & Tax Code section 42103); and

WHEREAS, the Board will perform all functions incident to administration and collection of the local charges for the City of Sacramento (Local Jurisdiction); and

WHEREAS, the Board requires that the City of Sacramento (Local Jurisdiction) enter into an "Agreement for State Collection and Administration of Local Charges" prior to implementation of the Local Prepaid Mobile Telephony Services Collection Act, and

Whereas, the Board requires that the City of Sacramento (Local Jurisdiction) authorize the agreement;

NOW, THEREFORE BE IT RESOLVED by the City of Sacramento (Local Jurisdiction) that the attached "Agreement for State Collection and Administration of Local Charges" is hereby approved and the the City Manager (Title of Authorized Position) is hereby authorized to execute the agreement.

* * * * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City of Sacramento
Local Jurisdiction
held on 9/1/2015, by the following vote:
Date

AYES: _____

NOES: _____

ABSENT: _____

DATED: _____

ATTEST: (s) _____ (s) _____
(Printed Name & Title) (Printed Name & Title)

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZING THE EXAMINATION OF PREPAID MOBILE TELEPHONY SERVICES SURCHARGE AND LOCAL CHARGE RECORDS

BACKGROUND

A. **WHEREAS**, pursuant to chapter 3.32 of the Sacramento City Code (Utility User Tax) and the Local Prepaid Mobile Telephony Services Collection Act, the City of Sacramento, hereinafter called Local Jurisdiction, entered into a contract with the State Board of Equalization, hereafter referred to as the Board, to perform all functions incident to the administration and collection of the prepaid mobile telephony services surcharge and local charges (Rev. & Tax. Code, § 42101.5); and

B. **WHEREAS**, the Local Jurisdiction deems it desirable and necessary for authorized representatives of the Local Jurisdiction to examine confidential prepaid mobile telephony services surcharge and local charge records pertaining to the prepaid mobile telephony services surcharge and local charges collected by the Board for the Local Jurisdiction pursuant to that contract;

C. **WHEREAS**, the Board will make available to the Local Jurisdiction any information that is reasonably available to the Board regarding the proper collection and remittance of a local charge of the Local Jurisdiction by a seller, including a direct seller, subject to the confidentiality requirements of Sections 7284.6, 7284.7 and 19542 of the Revenue and Taxation Code; and

D. **WHEREAS**, Sections 42110 and 42103 of the Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board of Equalization records and establishes criminal penalties for the unlawful disclosure of information contained in or derived from the prepaid mobile telephony services surcharge and local charge records of the Board;

NOW, THEREFORE IT IS RESOLVED AND ORDERED AS FOLLOWS:

Section 1. That the City Manager or other officer or employee of the Local Jurisdiction designated in writing by the City Manager to the Board is hereby appointed to represent the Local Jurisdiction with authority to examine prepaid mobile telephony services surcharge and local charge records of the Board pertaining to prepaid mobile telephony services surcharge and local charges collected for the Local Jurisdiction by the Board pursuant to the contract between the Local Jurisdiction and the

Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of the Local Jurisdiction's prepaid mobile telephony services surcharge and local charges by the Board pursuant to the contract.

Section 2. That the City Manager and the UUT Tax Administrator (Finance Director) or other officer or employee of the Local Jurisdiction designated in writing by the City Manager to the Board is hereby appointed to represent the Local Jurisdiction with authority to examine those prepaid mobile telephony services surcharge and local charge records of the Board for purposes related to the following governmental functions of the Local Jurisdiction:

a) compliance and enforcement of the utility users tax (local charge)

b) administrative functions set out in City's utility users tax ordinance

c) legal interpretation and enforcement of utility users tax ordinance, including but not limited to refunds and defense of claims against ordinance

The information obtained by examination of Board records shall be used only for those governmental functions of the Local Jurisdiction listed above.

Section 3. That MuniServices, LLC is hereby designated to examine the prepaid mobile telephony services surcharge and local charges records of the Board of Equalization pertaining to prepaid mobile telephony services surcharge and local charges collected for the Local Jurisdiction by the Board. The person or entity designated by this section meets all of the following conditions (Rev. & Tax. Code, § 42110, subd. (b)(2)):

a) has an existing contract with the Local Jurisdiction that authorizes the person to examine the prepaid mobile telephony services surcharge and local charge records;

b) is required by that contract with the Local Jurisdiction to disclose information contained in or derived from, those records only to an officer or employee of the Local Jurisdiction authorized by the resolution to examine the information;

c) is prohibited by that contract from performing consulting services for a seller during the term of that contract;

d) is prohibited by that contract from retaining information

contained in, or derived from, those prepaid mobile telephony services surcharge and local charge records, after that contract has expired.

The contract between the Local Jurisdiction and MuniServices, LLC designated by the Local Jurisdiction to request information from the Board shall be subject to the following limitations (Rev. & Tax. Code, § 42103, subd. (g)):

a) MuniServices, LLC shall, to the same extent as the Board, be subject to Section 55381, relating to unlawful disclosures.

b) the contract between the Local Jurisdiction and MuniServices, LLC shall not provide, in whole or in part, in any manner a contingent fee arrangement as payment for services rendered.

BE IT FURTHER RESOLVED THAT the information obtained by examination of the Board records shall only be used for purposes related to the collection of the Local Jurisdiction's prepaid mobile telephony services surcharge and local charges by the Board pursuant to the contract between the Local Jurisdiction and Board, or for purposes related to other governmental functions of the Local Jurisdiction, as identified above in section 2.

AGREEMENT FOR STATE COLLECTION AND ADMINISTRATION OF LOCAL CHARGES

This Agreement is for the purpose of implementing the Local Prepaid Mobile Telephony Services Collection Act (Part 21.1, commencing with Section 42100) of Division 2 of the Revenue and Taxation Code), hereinafter referred to as the Local Charge Act. The City of Sacramento (Insert name of local jurisdiction) and the State Board of Equalization, hereinafter called the Board, do agree as follows:

ARTICLE I
DEFINITIONS

Unless the context requires otherwise, wherever the following terms appear in this Agreement they shall be interpreted to mean the following:

A. "Administrative Expenses" means all expenses incurred by the Board in the administration and collection of the local charges, including preparation and wind down costs which are reimbursable to the Board from the revenues collected by the Board on behalf of the local jurisdiction.

B. "Contingent Fee" includes, but is not limited to, a fee that is based on a percentage of the tax liability reported on a return, a fee that is based on a percentage of the taxes owed, or a fee that depends on the specific tax result attained.

C. "Direct Seller" means a prepaid Mobile Telephony Service (MTS) provider or service supplier, as defined in section 41007, that makes a sale of prepaid mobile telephony services directly to a prepaid consumer for any purpose other than resale in the regular course of business. A direct seller includes, but is not limited to, a telephone corporation, a person that provides an interconnected Voice over Internet Protocol (VoIP) service, and a retailer as described in section 42004(b)(1).

D. "Local Charges" means a utility user tax imposed on the consumption of prepaid mobile telephony services, as described in section 42102, and charges for access to communication services or to local "911" emergency telephone systems imposed by a local jurisdiction, as described in section 42102.5.

E. "Local Jurisdiction" or "local agency" means a city, county, or city and county, which includes a charter city, county, or city and county of this State, which has adopted an ordinance imposing a local charge of the kind described in Part 21.1 of Division 2 of the Revenue and Taxation Code and has entered into a contract with the Board to perform all functions incident to the collection of the local charges.

F. "Ordinance" means an ordinance of a local jurisdiction imposing a local charge, including any local enactment relating to the filing of a refund or a claim arising under the ordinance, attached hereto, as amended from time to time.

G. "Quarterly local charges" means the total amount of local charges transmitted by the Board to a local jurisdiction for a calendar quarter, as set forth in section 42106(a)(1).

H. "Refund" means the amount of local charges deducted by the Board from a local jurisdiction's quarterly local charges in order to pay that jurisdiction's share of a local charge refund due to one taxpayer.

I. "Section" – all section references are to the Revenue and Taxation Code.

J. "Seller" means a person that sells prepaid mobile telephony service to a person in a retail transaction.

ARTICLE II
BOARD ADMINISTRATION AND COLLECTION OF LOCAL CHARGES

A. Administration. The Board and the local jurisdiction agree that the Board shall perform functions incident to the collection of the local charges from sellers that are not direct sellers.

B. Collection. The Board shall collect the local charges in the same manner as it collects the prepaid MTS Surcharge in the Prepaid Mobile Telephony Services Surcharge Collection Act, subject to specified limitations in the Local Charge Act for which the local jurisdiction is responsible, as set forth in Article III of this Agreement.

C. Audits. The Board's audit duties shall be limited to verification that the seller that is not a direct seller complied with the Local Charge Act.

D. Other applicable laws. The Board and the local jurisdiction agree that all provisions of law applicable to the administration and operation of the Local Charge Act, Prepaid Mobile Telephony Services Surcharge Collection Act, and the Fee Collection Procedures Law (FCPL) shall be applicable to the collection of local charges. References in the FCPL to feepayer include a person required to pay the local charge, including the seller. All future amendments to applicable laws are automatically incorporated into this Agreement.

E. Deposit of Local Charges. All local charges collected by the Board shall be deposited in the Local Charges for Prepaid Mobile Telephony Services Fund in the State Treasury to be held in trust for the local taxing jurisdiction. Local charges shall consist of all taxes, charges, interest, penalties, and other amounts collected and paid to the Board, less payments for refunds and reimbursement to the Board for expenses incurred in the administration and collection of the local charges, including preparation and wind-down costs.

F. Allocation of Expenses. The Board shall allocate the total combined annual expenses incurred for administration and collection pursuant to the Prepaid Mobile Telephony Services Surcharge Collection Act and the Local Charge Act on a pro rata basis according to revenues collected for: (1) the emergency telephone users surcharge portion of the prepaid MTS surcharge, (2) the Public Utilities Commission surcharges

portion of the prepaid MTS surcharge, and (3) local charges. The Board shall charge a local jurisdiction its pro rata share of the Board's cost of collection and administration.

G. Transmittal of money. All local charges collected by the Board shall be transmitted to the local jurisdiction once in each calendar quarter. Transmittals may be made by mail or by deposit to the account of the local jurisdiction in a bank designated by that jurisdiction. The Board shall furnish a statement quarterly indicating the amounts paid and withheld for expenses of the Board.

H. Rules. The Board shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and collection of local charges and the distribution of the local charges collected.

I. Security. The Board agrees that any security which it hereafter requires to be furnished under the FCPL section 55022 will be upon such terms that it also will be available for the payment of the claims of the local jurisdiction for local taxes owing to it as its interest appears. The Board shall not be required to change the terms of any security now held by it, and the local jurisdiction shall not participate in any security now held by the Board.

J. Records of the Board.

1. Information obtained by the local jurisdiction from the examination of the Board's records shall be used by the local jurisdiction only for purposes related to the collection of the prepaid mobile telephony services surcharge and local charges by the Board pursuant to this Agreement.

2. When requested by resolution of the legislative body of a local jurisdiction, the Board shall permit any duly authorized officer or employee or other person designated by that resolution to examine any information for its own jurisdiction that is reasonably available to the Board regarding the proper collection and remittance of a local charge of the local jurisdiction by a seller, including a direct seller, subject to the confidentiality requirements of sections 7284.6, 7284.7 and 19542. (sections 42110(b), 42103(e).).

3. The resolution of the local jurisdiction shall certify that any person designated by the resolution, other than an officer and an employee, meets all of the following conditions:

a. Has an existing contract with the local jurisdiction that authorizes the person to examine the prepaid MTS surcharge and local charge records.

b. Is required by that contract with the local jurisdiction to disclose information contained in or derived from, those records only to an officer or employee of the local jurisdiction authorized by the resolution to examine the information.

c. Is prohibited by that contract from performing consulting services for a seller during the term of that contract.

d. Is prohibited by that contract from retaining information contained in, or derived from, those prepaid MTS surcharge and local charge records, after that contract has expired.

4. Any third party contract between the local jurisdiction and an entity or person authorized by the local jurisdiction to request information from the Board shall be subject to the following limitations:

a. Any third party shall, to the same extent as the Board, be subject to Section 55381, relating to unlawful disclosures.

b. A third party contract shall not provide, in whole or in part, in any manner a contingent fee arrangement as payment for services rendered.

5. Information obtained by examination of Board records shall be used only for purposes related to the collection of the prepaid MTS surcharge and local charges by the board pursuant to the contract, or for purposes related to other governmental functions of the local jurisdiction set forth in the resolution.

6. If the Board believes that any information obtained from the Board's records related to the collection of the prepaid MTS surcharge and local charges has been disclosed to any person not authorized or designated by the resolution of the local jurisdiction, or has been used for purposes not permitted by section 42110(b), the board may impose conditions on access to its local charge records that the board considers reasonable, in order to protect the confidentiality of those records. (section 42110 (c).)

7. The costs incurred by the Board in complying with a request for information shall be deducted by the Board from those revenues collected by the Board on behalf of the local jurisdiction making the request, as authorized by section 42110(b)(1).

ARTICLE III
LOCAL JURISDICTION
ADMINISTRATION AND RESPONSIBILITIES

A. The local jurisdictions shall be solely responsible for all of the following:

1. Defending any claim regarding the validity of the ordinance in its application to prepaid mobile telephony service. The claim shall be processed in accordance with the provisions of the local ordinance that allows the claim to be filed.

2. Interpreting any provision of the ordinance, except to the extent specifically superseded by section 42105 of the Local Charge Act. The claim shall be processed in accordance with the provisions of the local enactment that allows the claim to be filed.

3. Responding to specified consumer claims for refund involving: (1) rebutting the presumed location of the retail transaction; (2) a consumer claim of exemption from the local charge under the ordinance; or (3) any action or claim challenging the validity of a local tax ordinance, in whole or part. The claim shall be processed in accordance with the provisions of the local enactment that allows the claim to be filed.

4. Refunding the taxes in the event a local jurisdiction or local government is ordered to refund the tax under the local ordinance.

5. Reallocating local charges as a result of correcting errors relating to the location of the point of sale of a seller or the known address of a consumer, for up to two past quarters from the date of knowledge.

6. Collecting local charges on prepaid mobile telephony service and access to communication services or access to local 911 emergency telephone systems imposed on direct sellers.

7. Enforcement, including audits, of the collection and remittance of local charges by direct sellers pursuant to the ordinance.

8. The local jurisdiction shall be the sole necessary party defendant on whose behalf the local charge is collected in any action seeking to enjoin collection of a local charge by a seller, in any action seeking declaratory relief concerning a local charge, in any action seeking a refund of a local charge, or in any action seeking to otherwise invalidate a local charge. There shall be no recovery from the State for the imposition of any unconstitutional or otherwise invalid local charge that is collected under the Local Act.

9. Entering into an agreement with the Board to perform the functions incident to the collection of the local charges imposed on sellers that are not direct sellers.

10. Submitting an executed Certification to the Board, certifying that:

(a) the local jurisdiction's ordinance applies the local charge to prepaid mobile telephony services;

(b) the amount of the rate charged for access to local 911 emergency telephone systems or access to communications services complies with the requirements of section 42102.5; and/or applies the tiered rate for the utility user tax, as identified in section 42102.

(c) The local jurisdiction shall further certify that it agrees to indemnify and to hold harmless the Board, its officers, agents, and employees for any and all liability for damages that may result from the Board's collection pursuant to this Agreement.

11. Submitting signed documents to the Board to include agreement(s), certification, copy of ordinance(s), and resolution(s).

12. Providing payment to the Board of the local jurisdiction's pro rata share of the Board's cost of collection and administration as established pursuant to subdivision (e) of section 42020.

ARTICLE IV
LOCAL CHARGES

A. Local Charges – Timeliness – This part shall remain in effect until proposed California Code of Regulations, title 18, section 2460 is adopted by the Board and approved by the Office of Administrative Law.

1. Ordinances in effect as of September 1, 2015.
On or after January 1, 2016, a local charge imposed by a local jurisdiction on prepaid mobile telephony services shall be collected from the prepaid consumer by a seller at the same time and in the same manner as the prepaid MTS surcharge is collected under Part 21 (commencing with section 42001) provided that, on or before September 1, 2015, the local jurisdiction enters into a contract with the Board pursuant to section 42101.5. Thereafter, all subsequently enacted local charges, increases to local charges, or other changes thereto, shall become operative pursuant to paragraphs (2), (3), and (4).

2. New charges. When a local jurisdiction adopts a new local charge after September 1, 2015, the local jurisdiction shall enter into a contract with the Board, pursuant to section 42101.5, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

3. Increases in local charges. When a local jurisdiction increases an existing local charge after September 1, 2015, the local jurisdiction shall provide the Board written notice of the increase, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

4. Inaccurate rate posted on the Board's website. When a local jurisdiction notifies the Board in writing that the rate posted on the Board's Internet Web site (posted rate) for a local charge imposed by that local jurisdiction is inaccurate, including scenarios where the local charge was reduced or eliminated, the recalculated rate applicable to the local jurisdiction shall become operative on the first day of the calendar quarter commencing more than 60 days from the date the Board receives the local jurisdiction's written notification that the posted rate is inaccurate.

A. Local Charges – Timeliness – This part shall take effect and supersede the above "Local Charges – Timeliness section when California Code of Regulations, title 18, section 2460 is adopted by the Board and approved by the Office of Administrative Law.

1. Ordinances in effect as of September 1, 2015. On or after January 1, 2016, a local charge imposed by a local jurisdiction on prepaid mobile telephony services shall be collected from the prepaid consumer by a seller at the same time and in the same manner as the prepaid MTS surcharge is collected under Part 21 (commencing with section 42001) provided that, on or before September 1, 2015, the local jurisdiction enters into a contract with the Board pursuant to section 42101.5.

In the event a local jurisdiction does not enter into a contract with the Board by September 1, 2015, the local jurisdiction may enter into a contract with the Board, pursuant to section 42101.5, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year. Thereafter, all subsequently

enacted local charges, increases to local charges, or other changes thereto, shall become operative pursuant to paragraphs (2), (3), (4) and (5) of this subdivision.

2. New charges. When a local jurisdiction adopts a new local charge after September 1, 2015, the local jurisdiction shall enter into a contract with the Board, pursuant to section 42101.5, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

3. Increases in local charges. When a local jurisdiction increases an existing local charge after September 1, 2015, the local jurisdiction shall provide the Board written notice of the increase, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

4. Advance written notification. When a local charge is about to expire or decrease in rate, the local jurisdiction imposing the local charge shall notify the Board in writing of the upcoming change, not less than 110 days prior to the date the local charge is scheduled to expire or decrease. The change shall become operative on the first day of the calendar quarter commencing after the specified date of expiration or decrease in rate.

If advance written notice is provided less than 110 days prior to the specified date of expiration or decrease in rate, the change shall become operative on the first day of the calendar quarter commencing more than 60 days after the specified date of expiration or decrease.

5. Inaccurate Rate Posted on the Board's Web site. When a local jurisdiction notifies the Board in writing that the rate posted on the Board's Internet Web site (posted rate) for a local charge imposed by that local jurisdiction is inaccurate, including scenarios where the local charge was reduced or eliminated and the local jurisdiction failed to provide advance written notice pursuant to paragraph 4 of this subdivision, the recalculated rate applicable to the local jurisdiction shall become operative on the first day of the calendar quarter commencing more than 60 days from the date the Board receives the local jurisdiction's written notification that the posted rate is inaccurate. The local jurisdiction shall promptly notify the Board in writing of any such discrepancies with the posted rate that are known or discovered by the local jurisdiction.

ARTICLE V
COMPENSATION

The local jurisdiction agrees to pay the Board its pro rata share of the Board's cost of collection and administration of the local charges, as established pursuant to section 42020, subdivision (e). Such amounts shall be deducted from the local charges collected by the Board for the local jurisdiction.

ARTICLE VI
MISCELLANEOUS PROVISIONS

A. Communications. Communications and notices may be sent by first-class United States Mail. A notification is complete when deposited in the mail. Communications and notices to be sent to the Board shall be addressed to:

State Board of Equalization
P.O. Box 942879 MIC: 27
Sacramento, California 94279-0001

Attention: Supervisor,
Local Revenue Allocation Unit

Communications and notices to be sent to the local jurisdiction shall be addressed to:

City of Sacramento
Revenue Division
Attn: Julie Coffeen
915 I Street, Room 1201
Sacramento, CA 95814

B. Term. The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on the first day of the calendar quarter next succeeding the date of such approval, but in no case before the operative date of the local jurisdiction's ordinance, nor on a day other than the first day of a calendar quarter. This Agreement shall be renewed automatically from year to year until January 1, 2020, when the Local Charge Act is repealed, unless a statute enacted prior to that date extends that date. In such event, this Agreement will continue to renew automatically from year to year to the date authorized by statute.

STATE BOARD OF EQUALIZATION

By_____
Administrator,
Return Analysis and Allocation Section

LOCAL
JURISDICTION___City of Sacramento___

By_____
(Signature on this line)

_____
(Type name here)

_____
(Type title here)

CERTIFICATION

I, _____ am authorized to sign this certification on behalf of City of Sacramento.
(Insert name of local jurisdiction)

I certify to the following:

Please check all the following that apply to your jurisdiction:

1. ___ **911 Charges/Access to Communication Services** - Ordinance No. 3.32 of the City of Sacramento (Insert name of local jurisdiction) imposes the local charge set forth in the ordinance to prepaid mobile telephony services for access to communication services or to local 911 emergency telephone systems. As required by section 42102.5, the percentage reflecting the rate for access to the local 911 emergency telephone systems or access to communications services is _____.

2. X **Utility User Tax** - Ordinance No. 3.32 of the City of Sacramento (Insert name of local jurisdiction) imposes the local charge set forth in the ordinance to the consumption of prepaid mobile telephony services. The tiered rate for the utility user tax, as identified in section 42102 is 6.5%.

3. The City of Sacramento (Insert name of local jurisdiction) agrees to indemnify and to hold harmless the Board of Equalization (Board), its officers, agents, and employees for any and all liability for damages that may result from the Board's collection pursuant to this agreement.

Executed in the City of Sacramento (Insert name of local jurisdiction) on _____ (Add date).

Signature _____

Printed name _____

Title of person _____