
File ID: 2026-00584

3/3/2026

Resolution Providing Outside Counsel Access to Tax Records to Assist in Providing Litigation Support

File ID: 2026-00584

Location: Citywide

Recommendation: Adopt a **Resolution** providing Jarvis Fay LLC access to confidential tax information in the possession of the City of Sacramento and limiting the ability of Jarvis Fay LLC to disclose or use such information.

Contact: Angel Solis, Senior Deputy City Attorney, (916) 808-5346, asolis@cityofsacramento.org; Brett Witter, Assistant City Attorney, (916) 808-5346, bwitter@cityofsacramento.org; City Attorney's Office; Peter Coletto, Director, (916) 808-5416, pcoletto@cityofsacramento.org, Department of Finance

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Resolution

Description/Analysis

Issue Detail: The City of Sacramento has retained Jarvis Fay LLC to investigate specific sales tax issues arising from a contract between Hunt & Sons and the City of Aliso Viejo. Specifically, whether Hunt & Sons has been directing sales tax revenue to Aliso Viejo that is properly paid to the City of Sacramento. Jarvis Fay has also been retained to represent the City in any administrative proceedings with the State of California and/or in civil litigation, as necessary, to assert the City's interests in the sales taxes at issue in the Hunt & Sons/Aliso Viejo contract.

In order to effectively represent the City in this investigation, administrative proceedings, and potential litigation, Jarvis Fay requires certain confidential tax information in the possession of the City of Sacramento. Before disclosing that information, the California Revenue and Taxation Code (Section 7056) requires that the City Council approve a resolution authorizing the disclosure and ensuring that Jarvis Fay will use the information only for those purposes relevant to their retention.

Policy Considerations: Approval of this resolution by the City Council is necessary to ensure the fair and appropriate disbursement of sales taxes.

Economic Impacts: None.

Environmental Considerations: The report contains administrative activities that will not have a significant effect on the environment and that do not constitute a “project” as defined by the California Environmental Quality Act (CEQA) Guidelines Sections 15061(b)(3) and 15378(b)(2).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Adoption of this resolution will allow outside counsel to investigate whether the City of Aliso Viejo is improperly receiving sales taxes that should be directed to the City of Sacramento, and if so, to take affirmative action to ensure that the sales taxes are appropriately directed in the future.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

RESOLUTION 2026-___

Adopted by the Sacramento City Council

[date]

**Authorizing the Disclosure of Confidential
Tax Information to Jarvis Fay LLP**

BACKGROUND

- A. The City of Sacramento (“**the City**”) has retained Jarvis Fay LLP to provide certain legal services identified in two Legal Services Agreements between the City and Jarvis Fay, as amended by an Agreement Regarding Treatment of Confidential Tax Data (collectively, the “**Legal Services Agreements**”). In order to provide these legal services, Jarvis Fay requires access to information contained in, or derived from, sales tax, transactions tax, and/or use tax records that the City has obtained from the California Department of Tax and Fee Administration (“**Confidential Tax Information**”).
- B. Section 7056 of the Revenue and Taxation Code of the State of California prohibits the City from disclosing Confidential Tax Information to Jarvis Fay unless the Sacramento City Council certifies, by resolution, that Jarvis Fay and the City have entered into a contract with specified terms designed to maintain the confidentiality of any Confidential Tax Information the City discloses.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

SECTION 1.

Confidential Tax Information provided to Jarvis Fay shall be used solely for the purpose of providing legal services to the City under the Legal Services Agreements.

SECTION 2.

The City Council certifies that:

1. The Legal Services Agreements permit Jarvis Fay to examine Confidential Tax Information.
2. The Legal Services Agreements require Jarvis Fay to disclose Confidential Tax Information only to an officer or employee of the City who is authorized by resolution of the City Council to examine that Confidential Tax Information.
3. The Legal Services Agreements prohibit Jarvis Fay from performing consulting services for a retailer during the term of the contract.
4. The Legal Services Agreements prohibit Jarvis Fay from retaining Confidential Tax Information after the Legal Services Agreements have expired.

Adopted by the Sacramento City Council on _____, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest:

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.