

ATTACHMENT B

**AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE
DISTRICT'S TRANSACTIONS AND USE TAX ORDINANCE**

In order to prepare to administer a transactions and use tax ordinance adopted in accordance with the provision of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, the Los Angeles County Metropolitan Transportation Authority (hereinafter called "District"), and the State Board of Equalization (hereinafter called the "Board"), do agree as follows:

1. The Board agrees to enter into work to prepare to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code which has been approved by a majority of the electors of the County and whose ordinance has been adopted by the District.

2. District agrees to pay to the Board at the times and in the amounts hereinafter specified all of the Board's costs for preparatory work necessary to administer the District's transactions and use tax ordinance. The Board's costs for preparatory work include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Board's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer a transactions and use tax ordinance. These costs shall include both direct and indirect costs as specified in Section 11256 of the Government Code.

3. Preparatory costs may be accounted for in a manner which conforms to the internal accounting and personnel records currently maintained by the Board. The billings for costs may be presented in summary form. Detailed records of preparatory costs will be retained for audit and verification by the District.

4. Any dispute as to the amount of preparatory costs incurred by the Board shall be referred to the State Director of Finance for resolution, and the Director's decision shall be final.

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5. Preparatory costs incurred by the Board shall be billed by the Board periodically, with the final billing within a reasonable time after the operative date of the ordinance. District shall pay to the Board the amount of such costs on or before the last day of the next succeeding month following the month when the billing is received.

6. The amount to be paid by District for the Board's preparatory costs shall not exceed one hundred seventy-five thousand dollars (\$175,000) (Revenue and Taxation Code Section 7272.)

7. Communications and notices may be sent by first class United States 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 94279-0027
Attention: Administrator,
Local Revenue Branch

Communications and notices to be sent to District shall be addressed to:

Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza. MS 99-21-2
Los Angeles, California 90012
Attention: Treasurer

8. The date of this agreement is the date on which it is approved by the Department of General Services. This agreement shall continue in effect until the preparatory work necessary to administer District's transactions and use tax ordinance has been completed and the Board has received all payments due from District under the terms of this agreement.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

STATE BOARD OF EQUALIZATION

By _____
Donna Mills
Treasurer

By _____
Administrator