THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: General Services Agency

BOARD AGENDA: 5.B.2
AGENDA DATE: November 3, 2026

SUBJECT:
Approval to Increase Spending Authority for Software and Digital Product Agreements Impacted by Senate Bill 122, Chapter 23, Statutes of 2026

BOARD ACTION AS FOLLOWS: **RESOLUTION NO. 2026-0573**

On motion of Supervisor Grewal **Seconded by Supervisor** C. Condit
and approved by the following vote,
Ayes: Supervisors: B. Condit, Withrow, Grewal, C. Condit, and Chairman Chiesa
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

1) X **Approved as recommended**
2) _____ **Denied**
3) _____ **Approved as amended**
4) _____ **Other:**

MOTION:

ATTEST: MARY E. HARTSFIELD, Clerk of the Board of Supervisors

File No.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM

DEPT: General Services Agency

BOARD AGENDA:5.B.2
AGENDA DATE: November 3, 2026

CONSENT: ☑

CEO CONCURRENCE: YES

4/5 Vote Required: NO

SUBJECT:

Approval to Increase Spending Authority for Software and Digital Product Agreements Impacted by Senate Bill 122, Chapter 23, Statutes of 2026

STAFF RECOMMENDATION:

1. Authorize increases in spending authority for the software and digital product agreements, as detailed in the attached Software Sales Taxation Contract Summary, for sales and use taxes imposed as a result of Senate Bill 122, Chapter 23, Statutes of 2026 (SB 122), effective January 1, 2027.
2. Authorize the General Services Agency Director/Purchasing Agent, or designee, to amend the identified agreements, as necessary, to increase the not-to-exceed amounts solely for applicable sales and use taxes resulting from SB 122, including changes in applicable tax rates during the remaining terms of the agreements, subject to available appropriations.
3. Authorize the General Services Agency Director/Purchasing Agent, or designee, or previously authorized Department Head, as applicable, to sign and execute amendments necessary to implement the actions authorized by this Board Agenda Item.

DISCUSSION:

Effective January 1, 2027, Senate Bill 122 (SB 122), Statutes of 2026, Chapter. 23, expands the application of California sales and use tax to certain software and digital products. The legislation amended and added provisions of the California Revenue and Taxation Code, including Sections 6006, 6010, and 6016 et seq., to include certain digital products, electronically delivered software, remotely accessed software, and Software-as-a-Service (SaaS) within the State's sales and use tax framework. This change will impact software agreements used throughout County operations and will result in additional costs beginning January 1, 2027.

Many of the County's existing software agreements were approved and executed before the new tax requirements were established. As a result, the spending authority previously approved for these agreements generally does not include the additional sales and use tax that may become due beginning January 1, 2027.

To prepare for implementation, Information Technology Central (ITC), in collaboration with the Chief Executive Office, General Services Agency, and Auditor-Controller,

requested that County departments identify existing software and digital product agreements that may be impacted. The identified agreements have been consolidated into this Board Agenda Item to provide a coordinated Countywide approach and reduce the need for individual departments to return to the Board of Supervisors (Board) solely to address the additional tax obligation. The consolidated information may include agreements associated with Joint Powers Authorities (JPAs). These agreements are included to provide a more complete representation of the potential impact of SB 122 but are subject to the approval authority of their respective governing boards and are not included in the spending authority requested from the Board of Supervisors through this action.

The amount of sales and use tax applicable to each agreement may vary. County operations are conducted across multiple locations and tax jurisdictions, and applicable tax rates may differ based on the location associated with the purchase or use of the software. Additionally, many existing agreements extend multiple years beyond the January 1, 2027, effective date, during which applicable sales and use tax rates may change.

For these reasons, staff recommendations include authorizing to increase the spending authority for applicable sales and use tax legally imposed during the remaining term of each identified agreement rather than establishing a fixed tax percentage. This approach provides the flexibility necessary to account for differences in applicable tax rates and future rate changes without requiring departments to return to the Board solely because the applicable tax rate has changed.

The authority requested through this action is limited to additional sales and use tax resulting from SB 122. It does not authorize increases for additional licenses, expanded services, upgrades, vendor price increases, contract extensions, or other non-tax-related changes. Any such changes will continue to be processed in accordance with the County's established purchasing requirements and applicable Board authorization thresholds.

Approval of the requested authority will allow departments to maintain continuity of critical software and digital services while efficiently administering the new State tax requirements. It will also establish a consistent Countywide process for addressing the impact of SB 122 on agreements previously authorized by the Board.

POLICY ISSUE:

The County's purchasing policy (Board Resolution No. 2025-0376) requires Board of Supervisors' approval for contracts exceeding $200,000 per contract year, and for multi-year contracts which exceed $200,000 during the term of the contract. This requirement is based upon California Government Code Sections §25212, et seq, and §25502.5, et seq., which establish the powers of the Board of Supervisors and the Purchasing Agent.

FISCAL IMPACT:

County departments identified approximately $50 million in existing software and digital product agreements that may be impacted by SB 122. The agreements specifically identified in this Board Agenda Item represent those requiring additional Board spending authority and do not represent all County purchases that may be subject to the new tax requirements. SB 122 will also impact smaller software and digital product

purchases that remain within existing departmental purchasing authority and therefore do not require individual Board approval.

The actual Countywide fiscal impact cannot be precisely determined at this time because the amount of tax applicable to each purchase will depend on factors including the taxable components of the purchase, applicable jurisdictional tax rates, contract terms, and any changes in tax rates. Additionally, the California Department of Tax and Fee Administration (CDTFA) continues to develop regulatory guidance related to implementation of SB 122, which may further clarify how the new tax requirements apply.

This action does not request additional appropriations. Departments will be responsible for absorbing applicable SB 122-related costs within existing appropriations or addressing additional funding needs through the County's established budget process.

Following implementation on January 1, 2027, the County will make its best effort to track the Countywide fiscal impact attributable to SB 122, including agreements identified in this Board Agenda Item and other software and digital product purchases that do not require Board approval. Staff will report the estimated Countywide fiscal impact to the Board as part of the Fiscal Year 2027 Third Quarter Budget Report, based on information reasonably available at that time.

Approval of this action will provide spending authority for applicable sales and use taxes on the identified agreements without requiring separate Board action solely for tax-related increases.

BOARD OF SUPERVISORS' PRIORITY:

Approval of this action supports the Board's priority of *Delivering Efficient Public Services*, by ensuring that staff have the essential software needed to effectively serve the citizens of Stanislaus County.

STAFFING IMPACT:

Existing County department staff will continue to manage their agreements.

CONTACT PERSON:

Andrew Johnson
Director/Purchasing Agent, General Services Agency
Telephone: (209) 525-4380

ATTACHMENT(S):

1. SB122 - Software Sales Taxation Contract Summary

SB122 Software Sales Taxation
Contract Summary
Proposed Tax

Department	Budget Unit	Contractor	Brief Description of Service Provided	BOS Spending Authority	Term Start Date	Term End Date	Board Resolution Number XXXX-XXXX & Date (include all related to contract)
Assessor	Assessor	Megabyte Systems, Inc.	Property Tax System Maintenance (MPTS)	$590,135	7/1/26	6/30/27	2026-0249 5/19/26
Assessor	Assessor	Tyler Technologies, Inc.	Commercial Valuation Software	$451,616	7/1/25	6/30/28	2025-0305 6/10/25
Behavioral Health & Recovery Services	Behavioral Health & Recovery Services	California Mental Health Services Authority (CalMHSA)	Semi-Statewide Enterprise Health Record (SmartCare EHR)	$7,855,392	7/1/22	3/18/29	2022-0455 8/30/22
Clerk Recorder	Elections	Runbeck Election Services, LLC.	Election Management Voter Registration Software and Services	$580,028	2/26/24	2/25/29	
Clerk Recorder	Clerk Recorder	Granicus, LLC.	Software Support and Maintenance	$803,533	3/31/23	3/31/28	2023-0355 7/11/23 2026-0224 5/12/26
Community Services Agency	Program Services and Support	Eccovia, Inc.	Client Track Software License & Software Subscription	$587,158	7/1/25	6/30/28	2025-0247 5/20/25
Community Services Agency	Program Services and Support	CDW Government, LLC.	Enterprise Agreement for Volume Licensing for Microsoft Active Directory Network Operating System	$185,960	11/1/25	10/31/28	
District Attorney	Criminal Division	Axon Enterprise, Inc.	Digital Evidence Management System	$891,000	6/20/23	6/19/28	2023-0305 6/20/23
District Attorney	Criminal Division	SHI International	Microsoft M365 Licensing G5	$352,069	4/1/26	3/31/29	2026-0113 3/17/26
District Attorney	Criminal Division	West Publishing Corporation dba Thomson Reuters West	CLEAR Proflex Investigative Research Database	$199,817	1/1/26	12/31/28	
District Attorney	Criminal Division	West Publishing Corporation dba Thomson Reuters West	Westlaw Legal Research Database	$404,368	5/1/22	4/30/27	2022-0281 6/14/22 2026-0147 3/31/26
Environmental Resources	DER Fink Road Landfill	Trimble Inc.	Trimble Works Plus Agreement for GPS system on heavy equipment	$195,901	9/23/25	9/22/29	
Environmental Resources	DER Environmental Resources	Accela Inc.	Civic Platform Software Service- track business inspections and compliance for Hazmat Division	$243,798	12/1/20	12/22/28	2023-0610 11/28/23
Environmental Resources	DER Fink Road Landfill	Trimble Inc.	Trimble Works Plus Agreement for GPS system on heavy equipment	$503,504	1/22/25	1/31/30	2025-0020 1/14/25

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Contract Summary
Proposed Tax

Department	Budget Unit	Contractor	Brief Description of Service Provided	BOS Spending Authority	Term Start Date	Term End Date	Board Resolution Number XXXX-XXXX & Date (include all related to contract)
General Services Agency	Fleet Services	Samsara, Inc.	Fleet Tracking Software	$578,496	2/25/25	2/24/30	2025-0092 2/25/25
Health Services Agency	Clinics & Ancillary	AthenaHealth, Inc.	Electronic Health Records System	$2,836,137	8/15/25	8/14/29	2025-0277 6/3/25
Information Technology Central	Information Technology Central	CDW Government, LLC.	Crowdstrike Cyber Security Software	$3,827,240	1/15/26	8/12/29	2026-0010 1/6/26
Information Technology Central	Information Technology Central	Telcion Communications Group	Cisco Flex Licensing	$1,130,000	8/13/24	8/12/29	2024-0413 7/30/24
Information Technology Central	Information Technology Central	Dell Marketing LP	Adobe Enterprises Software	$707,363	2/25/26	2/24/29	2026-0038 1/27/26
Information Technology Central	Information Technology Central	SHI International	Microsoft Enterprise	$7,424,051	4/1/26	3/31/29	2026-0111 3/17/26
Information Technology Central	Information Technology Central	Carahsoft Technology Corp.	Nearmap Aerial Mapping	$338,974	10/1/26	9/30/30	2026-0452 9/15/26
Information Technology Central	Information Technology Central	CDW Government, LLC.	Cisco Enterprise Agreement	$1,709,127	10/15/26	10/14/29	2026-0492 9/29/26
Information Technology Central	Information Technology Central	Gartner Group, Inc.	Executive Programs	$749,336	4/30/25	4/29/28	2025-0206 4/29/25
Information Technology Central /Auditor Controller	Information Technology Central	Oracle America, Inc.	ERP Oracle Cloud Services	$5,215,991	12/1/21	11/30/29	2021-0187 5/11/21 2022-0067 2/8/22
Information Technology Central /Chief Executive Office	Information Technology Central	CentralSquare Technologies, LLC.	Central Square Computer Aided Dispatch (CAD) System	$1,578,000	4/23/25	4/22/30	2025-0121 3/11/25 2025-0644 12/9/25
Library	Library	Overdrive, Inc.	Ebook/Audiobook digital content	$627,000	1/17/24	6/30/27	2025-0169 4/15/25 2025-0317 6/10/25 2026-0299 6/16/26

SB122 Software Sales Taxation
Contract Summary
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Department	Budget Unit	Contractor	Brief Description of Service Provided	BOS Spending Authority	Term Start Date	Term End Date	Board Resolution Number XXXX-XXXX & Date (include all related to contract)
Office of Emergency Services	OES County Fire Service Fund	First Due Holdings, Inc. dba Locality Media, LLC. dba First Due	Fire Records Management System	$1,305,828	7/1/25	6/30/30	2025-0351 7/1/25
Office of Emergency Services	OES Emergency Medical Services	FirstWatch Solutions, Inc.	Data Monitoring and Syndromic Surveillance Software	$311,451	7/1/25	6/30/30	2025-0352 7/1/25
Office of Emergency Services	OES Emergency Medical Services	ImageTrend LLC	Data Repository and License Management System	$657,191	7/1/25	6/30/30	2025-0353 7/1/25
Planning/Building	PL Building Permits	Accela, INC.	Building & Planning Permitting Software	$2,287,545	7/1/24	6/30/34	2024-0359 6/25/24
Probation	General Fund/CCP and JJCPA	CogniSenseAI, Inc. DBA Cognisen	Propreitary AI software	$1,964,380	7/1/25	6/30/30	2025-0202 4/29/25
Probation	General Fund/Field Services	SHI International	Microsoft M365 Desktop Services	$499,748	4/1/26	5/31/29	2026-0110 3/17/26
Public Defender	Public Defender	Axon Enterprise, Inc.	Attorney Premier Enterprise Evidence Management System	$612,012	7/1/25	6/30/30	2025-0253 5/20/25
Sheriff	Cal-ID	Aware, Inc.	Automated Biometric Identification Systems	$584,550	8/29/23	8/28/28	2023-0425 8/29/23
Sheriff	Admin	CommSys California, LLc.	CLETS Connections Software	$369,944	5/1/22	4/30/27	2026-0216 5/5/26
Sheriff	Admin	SHI International	Microsoft Enterprise Software	$1,734,222	4/1/26	3/31/29	2026-0112 3/17/26
Sheriff	Operations	Pen Link Ltd	Tangles Software	$282,500	6/12/24	6/11/27	2026-0334 6/23/26
Sheriff	Admin	Granicus, LLC.	Website Design and Implementation	$287,975	3/14/23	3/13/28	2023-0102 3/14/23 2023-0491 9/26/23
Stanislaus Regional 911	Investment Trust Funds/SR911 Emergency Dispatch	Tait North America Inc dba Tait Communications	Support Contract for the trunked simulcast radio system	$550,676	7/1/25	6/30/30	CEDAC Item 3.5 7/29/25