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**Councilman Zine, City Leaders Aggressively Pursue
Parking Occupancy Tax Scofflaws
*\$23 million owed to the City by parking lot operators***

LOS ANGELES, April 12, 2011 – As the newly appointed Chair of the Audits & Governmental Efficiency Committee, Councilman Dennis P. Zine called on City leaders to aggressively pursue uncollected debt owed by Parking Occupancy Tax scofflaws.

Today at a news conference, Councilman Zine, Controller Wendy Greuel, City Attorney Carmen Trutanich, and Director of Finance Antoinette Christovale outlined their joint effort to identify Parking Occupancy Tax scofflaws, collect debt owed to the City, and improve the tax collection process. Last Friday, Councilman Zine introduced a motion to address these issues and it was heard this afternoon in the Audits & Governmental Efficiency Committee.

As his first action as the Chair of the committee, Councilman Zine made the following recommendations: 1) Request the City Attorney to draft language that authorizes the Police Commission to deny a new Police Permit application or renewal application for non-payment of business taxes and/or parking occupancy taxes; 2) Request the City Attorney to work with the Office of Finance to report back on the legal possibilities of requiring all parking lot operators to obtain a bond for each location to satisfy any delinquent tax; 3) Request the City Attorney to report back on the possibility of obtaining a lien on the property for non-payment; and 4) Instruct the City Attorney to draft language to amend the Los Angeles Municipal Code to require that in order to reinstate a suspended Police Permit, the operator must: a) pay all outstanding delinquent business taxes and parking occupancy taxes; and b) to install, at the permit holder's expense, automated and approved Revenue Control Equipment at each parking lot location. These recommendations will make it harder for these violations to recur and for these operators to commit fraud.

"I am going to seek out fraud, waste, and abuse in this City," said Councilman Dennis P. Zine, Chair of the Audits & Governmental Efficiency Committee. "Parking lot operators are some of the worst offenders in the City owing over \$20 million in unpaid taxes. This is unacceptable and I will use every tool available to make the process more efficient and transparent, and vigilantly pursue those who evade their obligation as responsible business owners operating in this City."

The City is facing an approximately \$350 million deficit in the upcoming fiscal year. Meanwhile, the City has significant uncollected debt and a considerable portion of that can be attributed to parking lot operators not remitting the City's Parking Occupancy Tax. Nine of the City's top debtors currently in litigation with the City are parking lot operators; therefore, there is an immediate need to look at the process of how the Parking Occupancy Tax is collected and how to create better collection practices to ensure complete remittance.

Since 2008, there has been approximately \$23 million dollars in Parking Occupancy Tax revenue which has not been collected and is in active litigation with the City Attorney's Office. The City Controller is currently undergoing a full audit on the process of how Parking Occupancy Tax is collected and reported to the City. The 'cash' nature of the parking industry allows for constant fraud and abuse of City policy. Furthermore, non-compliance with the City's Parking Occupancy Tax ordinance creates an uneven playing field for tax scofflaws and places conforming operators at a competitive disadvantage.

The motion will be considered by the entire City Council in the upcoming weeks.