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**Councilman Zine Leads Effort to Pursue Uncollected Debt Owed by
Parking Occupancy Tax Scofflaws**
City Council approves Zine motion to improve tax collection process

LOS ANGELES, April 27, 2011 – At today's meeting, the Los Angeles City Council approved Councilman Dennis P. Zine's motion to draft ordinances to better identify Parking Occupancy Tax scofflaws, collect debt owed to the City, and improve the tax collection process.

The motion, which was approved by the City Council with a 14-0 vote, makes 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 draft language requiring delinquent parking lot operators to obtain a bond for each location to satisfy any delinquent tax before reinstating their permit; 3) Request 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; and 4) Request the City Attorney to report back on the possibility of obtaining a lien on the property for non-payment. These recommendations will make it harder for these violations to recur and for these operators to commit fraud.

"Parking lot operators are some of the worst offenders in the City owing over \$20 million in unpaid taxes," said Councilman Dennis P. Zine, Chair of the Audits & Governmental Efficiency Committee. "I thank my colleagues for passing my motion to work towards improving the City's tax collection practices and to vigilantly pursue operators who evade their tax obligations."

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 City is facing an approximately \$450 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.

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