

CITY OF LOS ANGELES
CALIFORNIA

JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer

When making inquiries relative to
this matter, please refer to the
Council File No.



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK

Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
General Information - (213) 978-1133
Fax: (213) 978-1040

SHANNON HOPPE
Council and Public Services
Division

www.cityclerk.lacity.org

May 14, 2013

To All Interested Parties:

Chief Legislative Analyst

I HEREBY CERTIFY that the City Council adopted the action(s), as attached, under
Council File No. 13-0002-S56, at its meeting held May 1, 2013.

City Clerk
OS

cc: 8 Certified copies sent to Sacramento Representatives

Mayor's Time Stamp
OFFICE OF THE MAYOR
RECEIVED
2013 MAY -3 PM 1:19
CITY OF LOS ANGELES

City Clerk's Time Stamp
CITY CLERK'S OFFICE
2013 MAY -3 PM 1:13
CITY CLERK
BY _____
DEPUTY

SUBJECT TO THE CONCURRENCE OF THE MAYOR

COUNCIL FILE NO. 13-0002-S56

COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE MAY 1, 2013

RE: THE CITY'S POSITION TO SUPPORT SENATE BILL (SB) 211 (PRICE) TO ALLOW THE CITY TO CONTINUE A RECIPROCAL AGREEMENT WITH THE FRANCHISE TAX BOARD TO EXCHANGE TAX INFORMATION

LAST DAY FOR MAYOR TO ACT MAY 13 2013
[10 Day Charter requirement as per Charter Section 231(h)]

DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY

APPROVED

✓

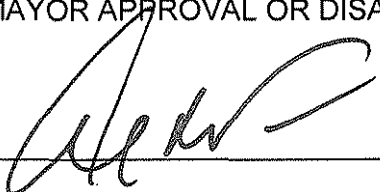
*DISAPPROVED

*Transmit objections in writing pursuant to Charter Section 231 (h)

DATE OF MAYOR APPROVAL OR DISAPPROVAL

MAY 10 2013

MAYOR



2013 MAY 13 PM 12:43
CITY CLERK
DEPUTY

HELENA D
CITY CLERK'S OFFICE

22

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your **RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS** Committee

reports as follows:

RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT and RESOLUTION relative to the City's position to support Senate Bill (SB) 211 (Price) to allow the City to continue a reciprocal agreement with the Franchise Tax Board to exchange tax information.

Recommendation for Council action, pursuant to Resolution (Krekorian – LaBonge), SUBJECT TO THE CONCURRENCE OF THE MAYOR:

ADOPT the accompanying RESOLUTION to include in the City's 2013-14 State Legislative Program SUPPORT for SB 211 (Price) to allow the City to continue to enter into a reciprocal agreement with the State of California Franchise Tax Board to exchange tax information.

Fiscal Impact Statement: None submitted by the Chief Legislative Analyst (CLA). The City Administrative Officer has not completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

At its regular meeting of April 19, 2013, the Rules, Elections and Intergovernmental Relations Committee considered a CLA report dated April 16, 2013 and Resolution (Krekorian – LaBonge) relative to the City's position to support SB 211 (Price) to allow the City to continue to enter into a reciprocal agreement with the State of California Franchise Tax Board to exchange tax information. The CLA report, attached to Council File No. 13-0002-S56, provides a summary of the Resolution and additional background information.

After providing an opportunity for public comment, the Committee recommended that Council adopt the accompanying Resolution. This matter is now forwarded to Council for its consideration.

Respectfully submitted,

RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS COMMITTEE



| | |
|---------------|-------------|
| <u>MEMBER</u> | <u>VOTE</u> |
| WESSON: | YES |
| LABONGE: | YES |
| HUIZAR: | ABSENT |

REW
4/25/13
13-0002-S56_rpt_reir_4-19-13

ADOPTED

MAY 01 2013

LOS ANGELES CITY COUNCIL

Not Official Until Council Acts

MAYOR WITH FILE

13-0002-556

RESOLUTION APR 9 2013 RULE COLLECTIONS & INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have been first adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, Los Angeles, like other cities in California and the state itself, has a significant underground economy and the resultant loss of tax revenue due to non-compliant businesses.

WHEREAS, previous law authorized tax officials of California, other states and Mexico to enter into a reciprocal agreement with the Franchise Tax Board (FTB) to exchange tax information. However, prior law did not afford California's city tax officials the same authority to enter into reciprocal agreements with the FTB to receive or exchange tax information.

WHEREAS, in 2001, AB 63 (Cedillo) afforded FTB the authority to disclose to tax officials of any city specified tax information but only until December 31, 2011.

WHEREAS, in 2008, SB 1146 (Cedillo) was approved by the Governor, affording the FTB the authority to enter into a reciprocal agreement and disclose to tax officials of any city specified tax information only until December 31, 2013. In addition, the bill requires cities to annually provide the FTB specified information that is collected in the course of administration of a city's business tax program.

WHEREAS, on February 11, 2013, SB 211 (Price) was introduced in the State Senate, such legislation, if approved, removing the December 31, 2013 repeal date of the provisions relating to the reciprocal agreements between the FTB and cities, thus indefinitely extending the duration for these provisions. Furthermore, SB 211 specifies that tax information provided to the taxing authority of a city may not be furnished to, or used by, any person other than an employee or agent of that taxing authority.

WHEREAS, SB 211 does not increase any local or state tax. By sharing information on existing data bases, taxes that are duly owed can be identified and collected, thus creating a level playing field for businesses that pay their fair share of taxes with those that currently do not.

WHEREAS, the State Franchise Tax Board has sponsored and supports SB 211.

WHEREAS, the City of Los Angeles' Office of Finance has successfully added approximately 167,000 non-registered businesses to the City of Los Angeles' tax rolls and collected over \$161 million in tax revenue to date since the passage of AB63 in 2001.

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles, hereby includes in its 2013-2014 State Legislative Program SUPPORT of SB 211 (Price) that would allow the City of Los Angeles to continue to enter into a reciprocal agreement with the Franchise Tax Board (FTB) to exchange tax information.

I CERTIFY THAT THE FOREGOING RESOLUTION WAS ADOPTED BY THE COUNCIL OF THE CITY OF LOS ANGELES AT ITS MEETING OF MAY 01 2013 PRESENTED BY: BY A MAJORITY OF ALL ITS MEMBERS.

Paul Krekorian

PAUL KREKORIAN Councilmember, 2nd District

JUNE LAGMAY CITY CLERK

BY DEPUTY

[Signature of June Lagmay]

SECONDED BY:

[Signature]

APR 9 2013

ORIGINAL