

**RESOLUTION**

**WHEREAS**, the Council of the City of Los Angeles has adopted a resolution to place an ordinance before the qualified voters of the City of Los Angeles at the March 8, 2011 Special Election to be consolidated with the City's Primary Nominating Election to be held on the same date; and

**WHEREAS**, the City Election Code requires the City Attorney to prepare and present a ballot title and question consisting of an impartial statement of the measure; and

**WHEREAS**, the City Attorney has presented the following ballot title and question for the proposed measure:

**LOS ANGELES OIL PRODUCTION TAX. PROPOSITION \_\_\_\_.**

In order to fund general municipal services, including but not limited to such matters as police protection and crime suppression services, fire prevention and suppression services, park and recreation facilities, and general improvements throughout the City, shall an ordinance be adopted to impose a tax on oil producing businesses of \$1.44 per barrel of oil produced in the City of Los Angeles?

**NOW, THEREFORE, BE IT RESOLVED** that the ballot title and question presented by the City Attorney be adopted by the City Council.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held on \_\_\_\_\_.

JUNE LAGMAY, City Clerk

By \_\_\_\_\_  
Deputy

C.F. No. 08-0411-S1

**RESOLUTION**

Resolution providing that a ballot measure be submitted to the qualified voters of the City of Los Angeles.

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES AS FOLLOWS:**

Section A. The following ordinance of the City of Los Angeles is hereby proposed to be submitted for approval by a majority vote of the qualified voters of the City of Los Angeles at a Special Election to be called and consolidated with the City's Primary Nominating Election held on March 8, 2011:

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Chapter 2 of the Los Angeles Municipal Code by adding Article 1.18 to establish an excise tax on oil production from wells located in the City.

**THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:**

Section 1. Article 1.18 is added to Chapter 2 of the Los Angeles Municipal Code to read:

**ARTICLE 1.18  
OIL PRODUCTION TAX**

**Section 21.18.1. DEFINITIONS.**

The following words and phrases whenever used in this Article shall be construed as defined in this section:

(a) A "well" shall be deemed to be located in the City if the surface location of the well or the surface of the well itself, is located in the City regardless of where the hole of the well may be bottomed.

(b) A "barrel of oil" consists of forty-two U.S. gallons of crude petroleum of hydrocarbon substances corrected for temperature variations in accordance with methods generally approved in the petroleum industry.

(c) "Petroleum or hydrocarbon substances" means crude oil remaining after the removal therefrom of water or other impurities by preliminary processing in the vicinity of the well site, preparatory to the shipment thereof.

(d) If oil produced from two or more wells shall be commingled without the production of the respective wells being separately measured, each well whose production has been commingled shall be considered as having produced an equal part of the total.

### **Section 21.18.2. OIL PRODUCTION TAX.**

(a) There is hereby imposed an excise tax upon every person engaged in the business of producing oil from any well located in the City of Los Angeles. The tax imposed by this section shall be \$1.44 per barrel of oil produced per well per quarter.

(b) The taxes imposed by this subsection shall be increased or decreased annually as of June 1 each year, commencing June 1, 2012, in an amount equal to the increase or decrease from the base index in the then latest available consumer price index, as prepared and released by the United States Department of Labor, Bureau of Statistics for the Los Angeles-Riverside-Orange County, CA area ("CPI").

(c) For the purposes of calculating the annual inflation/deflation factor under this section, the base year shall be the year ended December 31, 2010. Rates shall first be adjusted on June 1, 2012, and annually thereafter, based upon the annually calculated change from the base year. The June 1, 2012 adjustment for the change in CPI for the year ending December 31, 2011, and the adjusted rate shall first be applied for the payment due on October 1, 2012.

(d) The Director of Finance shall notify each person required to pay the per-barrel tax of the rate to be used for each fiscal year.

(e) No person required to pay tax under the provisions of this section shall be relieved of the obligation to pay additional taxes under the provisions of Section 21.42 with respect to the sale of gases or other by-products produced or recovered as an incident to the business taxed by this section.

### **Section 21.18.3. QUARTERLY PAYMENTS -- DUE DATE.**

Payment for the quarter consisting of October, November and December shall be due and payable on January 1; payment for the quarter consisting of January, February and March shall be due and payable on April 1; payment for the quarter consisting of April, May and June shall be due and payable on July 1; and payment for the quarter consisting of July, August and September shall be due and payable on October 1.

**Section 21.18.4. PENALTIES AND INTEREST.**

(a) Interest and penalties for delinquency in remittance of any tax collected, or any deficiency determination shall attach and be paid by the retailer at the rates and in the same manner as is provided in Sec. 21.05 of this chapter for delinquency in payment of Business Tax.

(b) The Director of Finance shall have power to impose additional penalties upon a retailer for fraud and negligence in reporting and remitting in the same manner and at the same rates as are provided in Sec. 21.05 of this Chapter for such penalties upon persons required to pay Business Tax.

(c) Every penalty imposed and such interest as accrues under the provisions of this section shall become a part of the tax herein required to be remitted.

**Section 21.18.5. WRITTEN STATEMENT.**

The provisions of Section 21.14 of this Chapter shall apply to the reporting requirements for persons subject to the tax under this Article.

**Section 21.18.6. ASSESSMENT – ADMINISTRATIVE REMEDY.**

(a) The provisions of Sections 21.16, 21.19 and 21.20 of this Chapter shall apply to the administration and collection of the tax imposed under the provisions of this Article in the same manner as they apply to the administration and collection of the Business Tax.

(b) The Director of Finance may make an assessment for taxes not remitted by a person required to remit under this article. The manner of making and providing notice of such assessment; the right to a hearing and the conduct of decision; filing exceptions; and passing upon exceptions shall be the same as provided in Section 21.16 of this Chapter.

**Section 21.18.7. RECORDS.**

It shall be the duty of every person liable for the collection and payment to the City of any tax imposed by this Article to keep and preserve, for a period of four years, true and accurate records as to the amount of oil produced by him from wells located within the City, and shall upon demand of the City Clerk, or his representative, make said records, together with any shipping documents or sales invoices pertaining to such oil available for the inspection of the City Clerk, or his representative, at all reasonable times.

Sec. B. The City Clerk is hereby authorized and directed to publish a notice containing the proposed ballot measure, specifying the date of March 8, 2011 as the date the measure is to be voted upon by the qualified voters of the City of Los Angeles. The notice shall be published once in a newspaper of general circulation in the City of Los Angeles, and in each edition thereof during that day of publication. The City Clerk is authorized and directed to prepare and keep in the City Clerk's office a sufficient supply of copies of the proposed ballot measure and to distribute the proposed ballot measure to any and all persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the proposed ballot measure to each of the qualified voters of the City of Los Angeles.

Sec. C. The City Clerk is hereby authorized and directed to cause a notice to be published once in a newspaper of general circulation that copies of voter information pamphlets containing the proposed ballot measure may be obtained upon request in the City Clerk's office.

Sec. D. The City Clerk shall file a duly certified copy of this Resolution forthwith with the Board of Supervisors and with the Registrar-Recorder of the County of Los Angeles.

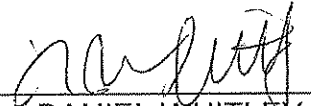
I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held on \_\_\_\_\_.

JUNE LAGMAY, City Clerk

By \_\_\_\_\_  
Deputy

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By   
DANIEL WHITLEY  
Deputy City Attorney

Date 11/17/10

C.F. No. 08-0411-S1

**ORDINANCE NO. \_\_\_\_\_**

An ordinance calling a Special Election to be held on Tuesday, March 8, 2011 for the purpose of submitting to the qualified voters of the City of Los Angeles a certain tax measure and consolidating this Special Election with the City's Primary Nominating Election to be held on the same date.

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. A Special Election is hereby called to be held in the City of Los Angeles on March 8, 2011, for the purpose of submitting to the qualified voters of the City a certain measure ordered submitted by the Council of the City of Los Angeles.

Sec. 2. The ballot title and question to be used at the Special Election for the measure to be submitted to the qualified voters of the City of Los Angeles shall be:

**LOS ANGELES OIL PRODUCTION TAX. PROPOSITION \_\_\_\_.**

In order to fund general municipal services, including but not limited to such matters as police protection and crime suppression services, fire prevention and suppression services, park and recreation facilities, and general improvements throughout the City, shall an ordinance be adopted to impose a tax on oil producing businesses of \$1.44 per barrel of oil produced in the City of Los Angeles?

Sec. 3. The measure shall be designated on the ballot or ballot pages by a letter or number determined by the City Council in accordance with applicable City and state laws. Upon the designation by the proper officials of the letter or number to be assigned to the measure, that letter or number is hereby adopted and shall be the designation for the ballot title.

Sec. 4. To vote on the measure, the voter shall mark the ballot next to the word "Yes" or the word "No." A "Yes" vote shall be counted in favor of adoption of the measure and a "No" vote shall be counted against adoption of the measure.

Sec. 5. The Special Election hereby called shall be, and hereby is ordered to be, consolidated with the City's Primary Nominating Election to be held in the City of Los Angeles on Tuesday, March 8, 2011.

Sec. 6. The voting polls on election day shall open at 7:00 a.m., March 8, 2011, and shall remain open until 8:00 p.m. of the same day when the voting polls shall be closed, except as provided in City Election Code Section 857.

Sec. 7. The election precincts, polling places, and officers of election for the Special Election shall be the same as those provided in the City of Los Angeles for the Primary Nominating Election, and the elections shall be held in all respects as if there were only one election. Furthermore, for the precincts, polling places, and officers of election, reference is hereby made to the list that will be prepared and approved by the City Clerk and filed in the City Clerk's Office not later than February 8, 2011, and that list is incorporated into and made part of this ordinance.

Sec. 8. In all other particulars, the Special Election shall be held and conducted as provided by law for the conduct of the Primary Nominating Election in the City of Los Angeles.

Sec. 9. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of \_\_\_\_\_.

JUNE LAGMAY, City Clerk

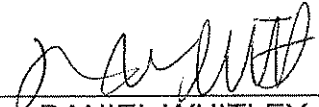
By \_\_\_\_\_  
Deputy

Approved \_\_\_\_\_

\_\_\_\_\_  
Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By  \_\_\_\_\_  
DANIEL WHITLEY  
Deputy City Attorney

Date 11/17/10

File No. 08-0411-S1