
Office of the City Clerk, City of Los Angeles

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Council File Number

[07-0465](#)

Title

Review / City Debt Collection

Subject

Motion - The City of Los Angeles has fiscal responsibility for collecting taxes and fees required to carry out its responsibilities and provide services to its residents. City departments play the primary role in this revenue billing and collection effort and are required to comply with the Citywide Billing and Collection Guidelines as developed by the Office of Finance (except Airports, Harbor and Water and Power, City Employees' Retirement System and Fire and Police Pensions). When revenue recovery has been unsuccessful, the Los Angeles Administrative Code authorizes any board, commission, or head of any department to prepare a report to a Board of Review (consisting of the Controller, Treasurer, and the Director of Finance) requesting authority to remove uncollectible accounts receivable from the department's active books. While the Board of Review can approve the removal of accounts less than \$1,000, accounts of \$1,000 or more can only be removed by the City Council, upon recommendation by the Board of Review. In recent months, the Board of Review has recommended write offs for various City departments, including the write off of over \$57 million in uncollectible ambulance service charges under \$1,000 dating back to FY 1999-2000. Although various efforts are made to obtain payment from all collectible accounts, more should be done to significantly increase revenue funds/streams and significantly reduce the write off of current debt. THEREFORE MOVE that the City Council, instruct the City Administrative Officer, Chief Legislative Analyst, with the assistance of Controller, Treasurer, and the Director of Finance to examine the City's processes to collect all debt due to the City via direct payment, litigation or any other mechanism, as applicable. FURTHER MOVE that the City Administrative Officer, Chief Legislative Analyst report to Budget and Finance Committee in 90 days with preliminary recommendations, mid-range recommendations and long-term recommendations to increase collections while taking the Controller's current audit on citywide collections into account.

Last Change Date

10/18/2010

Expiration Date

10/13/2012

Mover

BERNARD PARKS

Second

GREIG SMITH

Action History for Council File [07-0465](#)

Date	Activity
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10/18/2010	Council action final.
10/13/2010	Council adopted item, subject to reconsideration, pursuant to Council Rule 51.
10/12/2010	Council did not reach a quorum, left on desk and continued to October 13, 2010.
10/06/2010	City Clerk scheduled item for Council on October 12, 2010.
07/19/2010	Chief Legislative Analyst document(s) referred to Budget and Finance Committee.
07/16/2010	Document(s) submitted by Chief Legislative Analyst, as follows:

Chief Legislative Analyst report, dated July 12, 2010, relative to July 19, 2010 Budget and Finance Committee meeting to discuss collections and accounts receivable issues currently pending under various Council Files.

11/18/2008 Council referred item to Budget and Finance Committee.

Archive History

2-14-07 - This day's Council session

2-14-07 - Ref to Budget and Finance Committee

2-14-07 - File to Budget and Finance Committee Clerk

3-20-07 - Council Action - Budget and Finance Committee report ADOPTED:

1. INSTRUCT the City Administrative Officer (CAO), Chief Legislative Analyst (CLA), with the assistance of the Controller, Treasurer, and the Director of Finance to examine the City,s processes to collect all debt due to the City via direct payment, litigation or any other mechanism, as applicable.

2. INSTRUCT the CAO and CLA to report back to the Budget and Finance Committee in 90 days with preliminary recommendations, mid-range recommendations and long-term recommendations to increase collections while taking the Controller,s current audit on citywide collection into account.

4-2-07 - File to Budget and Finance Committee Clerk OK

4-3-07 - File in files