

14-1566

MOTION

TRANSPORTATION

In March 2012, the Commission on Revenue Efficiency (CORE) produced a report on the City's Parking Occupancy Tax (POT). In that report, CORE noted that the POT is a substantial source of general fund revenue for the City -- generating approximately \$85 million annually. The POT is a 10% surcharge on the cost of parking in commercial parking lots or structures. It has been well-documented that the City has great difficulty in collecting the POT from some parking vendors. With vehicle owners in Southern California spending close to \$1,000 a year in additional annual operating costs as the result of the poor condition of our streets, it is time to ensure that those businesses who profit from vehicle owners are paying the tax that is legally required of them.


As CORE reminds us, the cash nature of the parking industry and the transient method of operation employed by many parking lot operators allows for - and even invites - fraud and abuse of City collection efforts, resulting in unpaid POT and business taxes. Noncompliance with the City's POT ordinance also creates an uneven playing field for tax scofflaws and leaves law-abiding operators at a competitive disadvantage.

Among its recommendations, CORE offered the following: (a) require parking operators to accept credit and debit cards, and (b) impose on any commercial parking operator out of compliance with the City's POT Ordinance the requirement to install and use permanent revenue control equipment (RCE), such as automated cash machines, electronic gates, and/or pay-in-lanes systems. The Los Angeles Police Commission, the Department of Finance and the Los Angeles Parking Association have endorsed the RCE concept.

CORE also estimates that an additional \$20 to 25 million would be captured with increased enforcement and use of RCE technologies. These additional revenues should be dedicated to street maintenance efforts through the City's Pavement Preservation Program administered by the Bureau of Street Services.

I THEREFORE MOVE that the City Attorney, with the assistance and cooperation of the Department of Finance and Police Commission, be REQUESTED to prepare and present an ordinance to impose a requirement on all private parking lot or parking structure operators in Los Angeles to employ the use of revenue control equipment (RCE) such as credit/debit card capacity, automated cash machines, electronic gates, and/or pay-in-lanes systems, and that any additional revenue be dedicated as a permanent source of revenue to the City's Pavement Preservation Program.

I FURTHER MOVE that the Department of Finance, the Police Commission, the City Attorney and ITA report back on best available technology solutions to identify the number of private



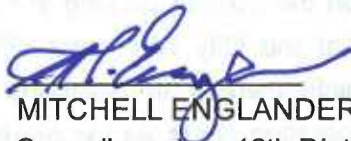
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parking lots or structures in Los Angeles, as well as vacant land that may be used as auto park operations.

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**ORIGINAL**

