

BUDGET & FINANCE

MOTION

In June 1990, the Mayor and City Council enacted Ordinance No. 165949 to effectuate a Parking Occupancy Tax to require payment of a 10 percent tax "for the privilege of occupying space in any parking facility in the City of Los Angeles." Collection of this tax from parking operators is administered by the Office of Finance, and operator permitting is conducted by both the LAPD's Commission Investigation Division and the Office of Finance.

The City's Parking Occupancy Tax has historically been one of the major sources of General Fund Revenue for the City. In Fiscal Year 2025-26, the City's Parking Occupancy Tax is estimated to generate over \$140M to pay for a variety of City services, including public safety and street services. Additionally, on January 27, 2026, Council considered increasing the Parking Occupancy Tax from 10 percent to 15 percent by way of the June 2026 ballot. Council ultimately decided against taking action to increase the Parking Occupancy Tax and referred the topic back to the Budget and Finance Committee for further discussion and research.

From 2003 to 2017, the Office of Finance released a Request for Proposals to establish the City Parking Tax Occupancy Discovery Program. The City ultimately contracted with The Parking Network (TPN), a parking financial and operations audit and review company, on a contingency basis to "identify corporations, partnerships, and individuals that are operating parking facilities in the City and not collecting and remitting the appropriate Parking Occupancy Tax on parking fees collected." TPN determined there were over 1,300 paid parking locations in the City, with hundreds of those locations either not reporting any parking tax or underreporting by 75 percent. After TPN's contract ended in 2017, they stated that they were confident parking operators and landowners were at the same level of non-compliance as the beginning of the program.

As the City continues to struggle with a structural budget deficit, every effort must be made to collect all revenue due to the City in order to continue to fund critically needed services. Given the significance of the Parking Occupancy Tax as a major source of funding, City staff should report to Council with recommendations to improve audit practices and an update on efforts taken over the past few years to improve collection of outstanding parking debts.

I THEREFORE MOVE that the Office of Finance, with the assistance from the City Administrative Officer and the Department of Transportation, report on recommendations to improve audit and collection practices regarding Parking Occupancy Tax from non-compliant parking operators and landowners.

I FURTHER MOVE that the Office of Finance include in its report summary information on current efforts to ensure the City is efficiently and equitably collecting all Parking Occupancy Tax revenue due to the City from all parking lot operators and landowners.

PRESENTED BY: 
HEATHER HUTT
Councilmember, 10th District

SECONDED BY: 


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