

AD HOC COMMITTEE FOR LA RECOVERY REPORT relative to amending the Los Angeles Municipal Code (LAMC) to provide tax relief to local businesses impacted by the January 2025 wildfires.

Recommendations for Council action:

1. REQUEST the City Attorney to AMEND the accompanying urgency ORDINANCE, dated January 30, 2025, attached to Council file No. 25-0006-S55, adding Section 21.25.1 to Article 1 of Chapter II of the LAMC to provide tax relief to local businesses impacted by the January 2025 wildfires to including the following revisions, respectively, as follows; and, to PRESENT the amended Ordinance directly to full Council for consideration:

- a. Revise Subsection (b) as follows:

“Any taxpayer whose business was interrupted experienced severe economic disruption for a period of not less than sixty (60) consecutive days directly by the wildfires beginning January 7, 2025, shall be deemed to have terminated such business on December 31, 2024, subject to the approval of the Director of Finance based upon a written application which shall include proof of such closure or impact. The Office of Finance shall promulgate rules and guidelines to effectuate Subsection (b).”

- b. Revise Subsection (c) as follows:

“Upon resumption of any business by a taxpayer described in Subsections (a) and (b), such business shall be deemed to be a newly established business subject to taxation in accordance with the provisions of Section 21.13, except that the measure of any additional tax for 2025 shall not commence prior to the date such business is resumed.”

- c. Delete and Replace Subsection (d) with the following:

“Any business seeking relief pursuant to this Section shall submit a request to the Director of Finance on or before April 14, 2025.”

2. INSTRUCT the Office of Finance to report to the Ad Hoc Committee for LA Recovery in 30 days with the number of businesses who have applied for this relief, the number of applications accepted and rejected, broken down by zip code, the type of business, the gross receipts tax and other pertinent information; and, INSTRUCT the Office of Finance to submit a written report following the April 14, 2025 deadline.

Fiscal Impact Statement: None submitted by the City Attorney. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on February 6, 2025, your Ad Hoc Committee for LA Recovery considered City Attorney reports and Ordinances relative to amending the LAMC to provide tax relief to local businesses impacted by the January 2025 wildfires.

After an opportunity for public comment was held, and after the Committee discussed amendments introduced by the Office of Finance, City Attorney and Councilmember Park. The Committee

recommended to approve the revised City Attorney Ordinance dated January 30, 2025, as amended, by Councilmember Park to include an additional instruction as well as the amendments recommended by the Office of Finance and City Attorney, as detailed above. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

AD HOC COMMITTEE FOR LA RECOVERY

<u>MEMBER</u>	<u>VOTE</u>
PARK:	YES
RODRIGUEZ:	YES
NAZARIAN:	YES
SOTO-MARTINEZ:	YES
McOSKER:	ABSENT

LV 2.6.25

-NOT OFFICIAL UNTIL COUNCIL ACTS-