

## BUDGET & FINANCE

### MOTION

The Office of Finance may give notice of assessment pursuant to Los Angeles Municipal Code (LAMC) Section 21.16 to a taxpayer whenever it determines that a tax is due or may be due to the City of Los Angeles. The notice shall state the principal tax due, as determined or estimated by the Office of Finance, plus applicable interest and penalty through the date of the assessment.

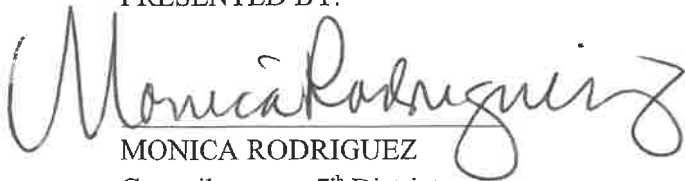
The taxpayer has an administrative right to appeal the assessment. Effective January 1, 2002, LAMC Section 21.16 provides the taxpayer with two levels of appeal hearings: 1) Assessment Review Officer and 2) Board of Review. The Assessment Review Officer is a Senior Tax Auditor in the Office of Finance, who is not involved in the audit or collection process of the case being appealed, and has a strong background in taxes administered by the City of Los Angeles. The Board of Review is composed of staff from the Controller's Office, the Office of Finance, and a member of the public, representing the business community.

The primary objective of the appeal procedure is to provide an administrative opportunity to the taxpayer and the City to resolve the tax disputes fairly and without litigation while the secondary objective is to streamline the entire hearing process. The objective of the Board of Review is to provide the taxpayer an opportunity to be heard by a panel, not involved in the first hearing, if the taxpayer is not satisfied with the decision of the Assessment Review Officer. By majority vote of its members, the Board of Review may affirm or decrease the assessment. Written notice of the decision of the Board of Review shall be given to the taxpayer in the same form and in the same manner as the notice of assessment. Any minority opinion will be included in the notice.

Recently, the Board of Review considered an appeal from Ticketmaster LLC and decided that a business was entitled to a refund in the amount of \$880,865.43 plus interest. In this case, both the City Attorney and Office of Finance opined that the decision of the Board was not correct. The City Attorney has recently reported that under the City Charter, the Director of Finance is responsible for making the final determination. However, based on LAMC Section 21.16(i)(1), the Board of Review is given the authority to make the final decision on the assessment.

I THEREFORE MOVE, that the City Attorney, with the assistance of the Office of Finance, be requested to report on the Board of Review process, clarify the discrepancies between the City Charter and the Los Angeles Municipal Code as to whether the Office of Finance or the Board of Review has the authority to make the final determination in the appeal process, and provide recommendations to revise the Los Angeles Municipal Code either allowing for the Office of Finance to provide the final determination or to allow for Council to make the final determination should the Office of Finance recommend that the Board of Review's decision be reviewed.


PRESENTED BY:

  
MONICA RODRIGUEZ  
Councilwoman, 7<sup>th</sup> District

  
BOB BLUMENFELD  
Councilmember, 3<sup>rd</sup> District

ORIGINAL

SECONDED BY:

  
TIM McOSKER  
Councilmember, 15<sup>th</sup> District



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