

MOTION

A Documentary Transfer Tax (DTT) is imposed on all documents that convey real property within the cities of Los Angeles County. The County collects the DTT on behalf of the City at the time the document is recorded. The tax is then remitted to the City and is accounted for as part of General Fund revenue.

As of April 1, 2023, the DTT was revised as a result of the passage of Measure ULA, a ballot measure intended to provide ongoing revenue to address housing and homelessness. For property sales above \$100 but not exceeding \$5 million, the DTT has remained at 0.45 percent of the property value. For sales above \$5 million but below \$10 million, the tax is 4.45 percent, and for sales \$10 million and above, the tax is 5.95 percent.

While the County is charged with collecting the newly calculated DTT, the Office of Finance needs to ensure that the new tax rates are being enforced, and that the City is receiving the accurate amount of tax due. To mitigate any issues with collection and remittance, especially in light of the Measure ULA update, the Office of Finance should provide background information on DTT, including the amount that has previously been collected, the type of transactions for which the tax is collected, and the accuracy of the County's collection and enforcement process.

I THEREFORE MOVE that the Office of Finance report on the Documentary Transfer Tax, including: the amount that has been collected since the implementation of Measure ULA; the amount collected over the past three years; the amount collected from commercial, residential and multifamily transfers; the amount collected through legal entity transfers versus deed transfers; the methods employed to track and collect when transfers occur within legal entities; and estimates of funds that may not be collected in the case where legal entity transfers are difficult to track.

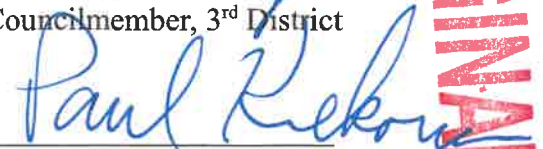
I FURTHER MOVE that the Office of Finance report on the accuracy of the Los Angeles County Documentary Transfer Tax collection and enforcement process and if any issues exist that may be exacerbated now that the Measure ULA taxes are being collected as well as any measures the City can take to ensure accuracy.

I FURTHER MOVE that the Office of Finance provide monthly reports on Measure ULA revenues collected and updates on their enforcement measures as funded in the FY23-24 budget.

PRESENTED BY:


BOB BLUMENFELD
Councilmember, 3rd District

SECONDED BY:


Paul Kerkov

AUG 08 2023

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