City of Los Angeles Office of Finance Announces Successful Tax Lien Program

Los Angeles (February 23, 2011) - The Office of Finance (Finance) of the City of Los Angeles announces revenue collection and early success in the newly implemented City Tax Lien Program. With City Council and Mayor’s approval, Finance launched an administrative tax lien program to collect on delinquent tax debt and to reduce the number of cases referred by Finance to the City Attorney to file costly litigation. Under the program, Finance may record liens against a taxpayer’s real and/or personal property used in connection with its business activities.

Finance commenced sending lien notices to tax debtors on December 27, 2010. To date, 34 cases have been referred to the program and are in various stages of processing. The program has proven to be successful in that less than two months, $526,000 has been collected and deposited into the City’s General Fund to help pay for public safety and other vital City services. In addition, after receiving our lien notice, several debtors have contacted Finance’s Citywide Collections Unit to begin settlement discussions.

The Tax Lien program is one of many tools used by Finance to collect on delinquent debt. Some of the other programs include Top Tax Debtor Listing, Parking Permit Revocation Referral, Offer In Compromise, Litigation Referral, and multi leveled Collection Agency Referral.

The City’s adopted budget for fiscal year 2010-11 includes $1 million in anticipated revenue from the Tax Lien program.