



County of Los Angeles  
Sheriff's Department Headquarters  
4700 Ramona Boulevard  
Monterey Park, California 91754-2169



LEROY D. BACA, SHERIFF

August 1, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Dear Supervisors:

**ADOPT A RESOLUTION CALLING A SPECIAL ELECTION  
TO ENACT AN ORDINANCE PROPOSING A SPECIAL TAX  
TO PROVIDE STABLE FUNDING FOR GANG SUPPRESSION,  
PREVENTION AND INTERVENTION  
(ALL DISTRICTS) (4 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Schedule a public hearing to consider a proposed quarter-cent sales tax increase to provide stable funding for a countywide program designed to significantly reduce gang crime and violence through suppression, prevention, intervention, and educational programs throughout Los Angeles County, including all 88 incorporated cities and the unincorporated areas in the County of Los Angeles.
2. Adopt the attached Resolution and Ordinance calling for a special election for a voter-approved quarter-cent sales tax increase for a countywide program designed to significantly reduce gang crime and violence through suppression, prevention, intervention, and educational programs.
3. Direct the Sheriff and Registrar-Recorder to take all necessary actions to place this special tax on the ballot for a November 7, 2006, special election.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

California law requires that in order to levy a sales tax increase, it shall be submitted to the electorate for a two-thirds approval. Your Board is requested

*A Tradition of Service*

to enact an ordinance that would submit this gang suppression sales tax measure to the voters of Los Angeles County at a special election to be held on November 7, 2006.

A countywide gang problem exists in Los Angeles County and this issue requires a County-wide approach to solve the problem. Proposals which have the effect of simply pushing the problem out of one area into another are ineffective. The Board, in concert with the Sheriff and local law enforcement, must develop countywide solutions or the problems will shift from one jurisdiction to another and will continue to persist.

Although the public safety component of general law enforcement throughout the County is predominately performed by the Sheriff and city police departments, the specific problem of gang violence has eluded traditional enforcement efforts. This is related to the multi-jurisdictional and diverse geographic spread of gangs, the lack of coordinated information gathering and sharing, local enforcement priorities, and a myriad of other practices and circumstances which allow gang violence to continue. The problem of gang violence requires a law enforcement response involving coordinated, countywide enforcement and suppression efforts. The roots of gang violence, however, are social in nature and develop over the course of years, evolving over time into the recruitment of juvenile gang members who participate in criminal activity. To impact a generation of youth at a social level likewise requires a countywide, coordinated approach which can be developed under the umbrella of prevention, intervention, and educational programs.

Los Angeles County has 1,145 gangs with more than 80,000 verified members. Gang violence continues to impact every city and neighborhood in Los Angeles County. A Sheriff's gang suppression enforcement model standing alone fails to achieve the countywide impact required to deal with the geographically diverse gang problem because it does not globally address the problem, not does it address the social and educational problems that foster gang membership.

Furthermore, funding for such programs is dependent upon the rise and fall of State and local budgets based on the economy. These economic fluctuations impact law enforcement funding and ultimately strain the delivery of law enforcement services. Although the provision of general law enforcement services survive, specialized law enforcement efforts suffer. This is particularly true with focused gang suppression programs. To realize long term benefits of our gang suppression, prevention, intervention, and

educational programs, a coordinated countywide effort supported by a stable funding source is essential.

The Los Angeles County Sheriff has proposed the Gang Suppression, Prevention, and Intervention Tax Measure, a County-wide sales tax increase of one-quarter cent to provide the personnel, resources, and directed strategies required to suppress gangs and violent crime in the County of Los Angeles. Funding would also be provided for needed gang prevention and intervention programs throughout Los Angeles County, including incorporated cities within the County of Los Angeles.

The estimated revenue of approximately \$325 million annually would be dedicated to gang suppression, prevention, and intervention programs designed to impact gang-related crime in Los Angeles County. The first seventeen percent of the revenue will be allocated to offset the increased operational and administrative costs resulting from the implementation of increased gang suppression efforts incurred by County departments, including but not limited to County custody operations, the District Attorney, and other designated justice agencies.

Sixty-one percent of the revenue will be allocated to the County unincorporated areas and each city within Los Angeles County will use a population derived formula with a \$100,000 base for each entity. This funding will be earmarked for suppression, prevention, intervention and educational programs, of which fifty percent of the money allocated to each entity shall be utilized for gang-related law enforcement purposes.

Twenty-two percent will be allocated for a mobile, countywide interagency gang task force which exclusively deals with the suppression and prevention aspect of gang-related crime. This mobile task force will be staffed with representatives from each law enforcement agency in the County of Los Angeles. Each officer will receive additional training in such areas as investigations, narcotics, surveillance, wiretap capabilities and the most current gang information collection techniques. Task force administration will deploy resources throughout the County under the direction of the Gang Planning Authority. Twenty teams will be deployed countywide and housed in ten strategically placed mobile trailers, which can be redeployed to address the needs of the task force.

#### Implementation of Strategic Plan Goals

The Gang Suppression initiative proposed to the Board is in accord with several goals, strategies and objectives identified in the County's Strategic

Plan. The following are Board approved Strategic Plan components which are supported by this initiative:

Strategic Plan Goal 3, "Organizational Effectiveness: Ensure that service delivery systems are efficient, effective and goal-oriented." The most effective manner of addressing the gang problem in Los Angeles County is a global approach which incorporates the law enforcement suppression efforts of each law enforcement agency within the County in a coordinated fashion while at the same time providing for the necessary social component through the provision of prevention, intervention, and educational programs.

Strategic Plan Goal 5, Strategy 4, Objective 1: "By July 2006, the County, in partnership with the CPC and the Children and Families commission, using a broad-based public-private task force, will develop a multi-agency, Countywide prevention plan that emphasizes public-private partnerships and includes detailed action steps that will result in more effective achievement of children and families safety and well-being, through a continuum of County and community-based prevention services, and family and community supports including workforce development and community investment strategies." This initiative is consistent with the stated objective as the coalition formed under the initiative represents a public-private partnership which shall approve the prevention, intervention, and educational programs implemented under the initiative.

Strategic Plan Goal 5, Strategy 5, Educational/Workforce Readiness, the County intends to "Create affordable, accessible and quality child development, educational, cultural, and vocational skill development opportunities for children and families." The initiative's prevention, intervention, and educational objectives are compatible and supportive of this strategy.

Strategic Plan Goal 6, Community Services, which plans to "Improve the quality of life for the residents of Los Angeles County's unincorporated communities by offering a wide range of Department coordinated services responsive to each community's specific needs." This goal is addressed, in part, by the deployment of a mobile gang enforcement task force that provides prevention, intervention and educational programs funded by the initiative.

Strategic Plan Goal 8, Public Safety, Increase the safety and security of all residents in Los Angeles County through the comprehensive integration of public safety information systems in coordination with local, County, State and Federal agencies. This goal is supported by the enhancement of LARGIN (Los Angeles Regional Gang Information Network) which is utilized to track

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gang violence and provide law enforcement with gang intelligence information and tracking capabilities.

Strategic Plan Goal 8, Strategy 3, by June 30, 2007, provide integrated crime analysis services in support of intelligence-led policing by establishing initiatives to facilitate the timely collection, effective analysis, and sharing of information with law enforcement agencies locally, regionally and nationally. The stated strategy is further supported by the initiative through the implementation of the mobile gang task force which incorporates an intelligence gathering component.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to Section 7285.5 of the Revenue and Taxation Code, the Board is authorized to propose by ordinance, a sales tax earmarked for specific purposes. In order to place the proposal on the November 7, 2006, ballot, I urge that the attached Resolution and Ordinance be adopted by your Board.

#### **IMPACT ON CURRENT SERVICES**

Based on the stable level of funding described in the justification, passage of this sales tax would have a significant positive impact on current services provided by the Sheriff.

As the Sheriff of Los Angeles County, I urge the Board to support this plan to strengthen the County's public safety services in the area of gang suppression, prevention, and intervention.

Sincerely,

A handwritten signature in black ink, appearing to read "Leroy D. Baca". The signature is fluid and cursive, with a large initial "L" and "B".

LEROY D. BACA  
SHERIFF

RESOLUTION OF THE BOARD OF SUPERVISORS OF  
THE COUNTY OF LOS ANGELES PROVIDING FOR AND  
GIVING NOTICE OF A SPECIAL TAX ELECTION TO BE  
HELD IN THE COUNTY OF LOS ANGELES ON  
NOVEMBER 7, 2006, AND CONSOLIDATING THE  
SPECIAL TAX ELECTION WITH OTHER ELECTIONS  
TO BE HELD ON NOVEMBER 7, 2006

**WHEREAS**, the Board of Supervisors recognizes that it is necessary and desirable that the County of Los Angeles (the "County") levy a special tax within the County to provide funding for Public safety through the suppression of gangs and violent crimes; and

**WHEREAS**, the Board of Supervisors deems it necessary and essential to submit the question of a special tax to the qualified voters within the County at a special tax election to be held on November 7, 2006, and to consolidate such election with the other elections to be held on that date;

**NOW, THEREFORE BE IT RESOLVED** by the Board of Supervisors of the County of Los Angeles as follows:

**Section 1. Call of Election and Purpose.** A special tax election shall be held and the same is hereby called and ordered to be held in the County on the 7th day of November, 2006, for the purpose of submitting to the voters of the County a proposed ordinance regarding a special tax.

**Section 2. Ballot Proposition.**

The Proposition for the County to levy a special tax shall appear on the ballot substantially as follows:

**LOS ANGELES COUNTY GANG SUPPRESSION,  
PREVENTION, AND INTERVENTION MEASURE.**

To provide public safety through expanded gang suppression, prevention, and intervention in Los Angeles County and each of its cities, additional officers, expanded community policing, youth and adult crime prevention programs, jail operations, and related justice services, shall the Countywide sales tax be increased by one-quarter cent, subject to audit and Financial Coalition review?

YES \_\_\_\_\_

NO \_\_\_\_\_

**Section 3. Ordinance.** The attached ordinance, Exhibit A, is incorporated herein by reference.

**Section 4. Proclamation.** Pursuant to Section 12001 of the Elections Code, the Board of Supervisors of the County of Los Angeles hereby PROCLAIMS that a special County-wide election shall be held on Tuesday November 7, 2006, to vote upon the proposed ordinance. The polls shall be open from 7:00 a.m. to 8:00 p.m.

**Section 5. Election Procedure.** All qualified voters residing within the County shall be permitted to vote in the election and in all particulars not recited in this resolution, the election shall be held as nearly as practicable in conformity with the Elections Code of the State of California. The votes cast for and against the Proposition shall be separately counted and if the Proposition receives the required number of votes, to-wit two-thirds of the qualified electors

voting on the Proposition, the special tax in the amounts and for the purposes stated in the Ordinance shall be effective.

**Section 6. Consolidation.** The special election called by this resolution shall be consolidated with the other elections conducted by the Registrar-Recorder/County Clerk to be held in the County of Los Angeles on November 7, 2006, and the Proposition shall be placed on the same ballot to the extent the elections are conducted within the same geographical areas, and in such instance the same precincts, polling places, election officers and facilities shall be used for the elections.

**Section 7. Authority.** This resolution is adopted pursuant to section 12001 of the Elections Code and section 25201 of the Government Code. The Executive Officer of the Board of Supervisors is ordered to file a copy of this Resolution with the Registrar-Recorder at least eighty-eight (88) days prior to the day of the election.

**Section 8. CEQA Findings.** Based upon all of the facts before it on this matter, the Board of Supervisors finds that the submission of this question of a special tax to the voters is not subject to, or is exempt from, the California Environmental Quality Act ("CEQA") on the independent grounds that:

A. It is not a project as defined by 14 California Code of Regulations Section 15378 (b)(3) relating to ballot measures submitted to a vote of the people. The proposal for a special tax is required by law to be submitted to a vote as set out in this Resolution.

B. It is not a project as defined by 14 California Code of Regulations Section 15378 (b)(4) relating to the creation of government funding mechanisms which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Further, the Board finds that the submission of this question to the voters also would be exempt from CEQA, if it were a project, on the independent basis of the following exemptions:

A. It is exempt based upon Public Resources Code Section 21080 (b)(8) and 14 California Code of Regulations Section 15273 (a) because the Board of Supervisors finds as specifically set out in this Resolution, that the special tax is for the purpose of: (A) meeting operating expenses, including employee wage rates and fringe benefits, (B) purchasing or leasing supplies, equipment or materials, (C) meeting financial reserve needs and requirements, and (D) obtaining funds for capital projects necessary to maintain service within existing service areas;

B. It is exempt based upon 14 California Code of Regulations Section 15301 relating to the operation and minor alteration of existing public or private structures with a negligible expansion of an existing use;

C. It is exempt based upon 14 California Code of Regulations Section 15061 (b)(3) which provides the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and it can be seen with certainty that there is no possibility that the submission of this question to the voters will have a significant effect on the environment.

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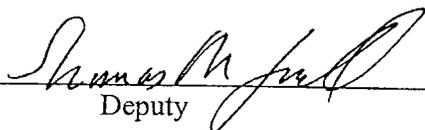
The foregoing resolution was on the \_\_\_\_\_ day of August 2006, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI, Executive Officer-  
Clerk of the Board of Supervisors of the  
County of Los Angeles

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

OFFICE OF THE COUNTY COUNSEL

By:   
Deputy

## ANALYSIS

This Ordinance establishes Chapter 4.69 of the Los Angeles County Code to propose a 1/4 cent Los Angeles County Transactions and Use Tax, that becomes effective only after approval by two-thirds of the qualified voters in the County voting in an election on the issue. The proceeds of the tax are designated for gang violence suppression public safety services. The levy may be repealed by a majority of the Board of Supervisors.

RAYMOND G. FORTNER, JR.  
County Counsel

By

  
THOMAS M. TYRRELL  
Principal Deputy County Counsel  
Government Services

[[HOA.381147]]

**ORDINANCE NO. \_\_\_\_\_**

An Ordinance amending Title 4 - Revenue and Finance of the Los Angeles County Code, by adding Chapter 4.69 to the Los Angeles County Code, Title 4 — Revenue and Finance.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** This Act shall be known as “The County of Los Angeles Gang Suppression, Prevention, and Intervention Transactions and Use Tax Act.”

**SECTION 2.** Purpose and Intent: The People of the County of Los Angeles find and declare that:

A. Public safety and the prevention, intervention and suppression of gang-related violent crimes are critically important to the security and well-being of the County’s citizens and to the growth and revitalization of the County’s economic base.

B. Public safety, through the suppression of gangs and the prevention of violent crime are primary responsibilities of local government and local officials have an obligation to give priority to the provision of adequate public safety services.

C. In order to assist local governments in maintaining a sufficient level of public safety services, the proceeds of The Gang Suppression, Prevention, and Intervention Tax Act shall be designated exclusively to expand funding of local law enforcement and supplement community programs that prevent crime as provided in the Act. Local financial resources to the agencies impacted by this Tax Act, including the Sheriff, District Attorney, Probation Department, and local law enforcement agencies, shall not be reduced below the adopted budget for the 2006/07 fiscal year. The same local financial resources shall include cost of living adjustments based on the

increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index for the Los Angeles-Riverside-Orange County Area (CPI) for the most recently published percentage change for the 12-month period for the preceding fiscal year. The adopted budget for the 2006/07 fiscal year may be adjusted to reflect reduced expenditures necessitated by reductions in state or federal assistance, or reductions in any other revenue source beyond the control of that local government entity. The County shall not take such action without a two-thirds vote of the Board of Supervisors.

D. In order to provide the personnel, resources, and directed strategies required to suppress gangs and violent crime, a portion of the proceeds of this Tax Act shall be used to fund a regional inter-agency task force, "GangNet."

E. If a loss or reduction in revenue, including state or federal assistance, or reductions in any other revenue source beyond the control of that local government entity occurs, proceeds from this Ordinance may be used to ensure public safety funding, is not reduced below the adopted budget for the 2006/07 fiscal year as adjusted, only if local financial resources to public safety are not reduced more than the total percent of the loss or reduction within the affected year. Except as prescribed, the Gang Suppression, Prevention, and Intervention Tax Act revenues received by the County or a City may not be utilized to meet the Maintenance-of-Effort requirements of the Act.

**SECTION 3.** Chapter 4.69 is hereby added to read as follows:

**Chapter 4.69**

**THE COUNTY OF LOS ANGELES GANG SUPPRESSION, PREVENTION,  
AND TRANSACTIONS AND USE TAX ACT.**

- 4.69.010 The County of Los Angeles Gang Prevention, Intervention, and Suppression Transactions and Use Tax Act.
- 4.69.020 Purpose.
- 4.69.030 Imposition of Retail Transactions Tax.
- 4.69.040 Imposition of Use Tax.
- 4.69.050 Definitions.
- 4.69.060 Expenditure Plan for the Use of Revenues Received from Imposition of the Transactions and Use Tax.
- 4.69.070 Application of Sales and Use Tax Provisions of Revenue and Taxation Code.
- 4.69.080 Limitation on Adoption of State Law and Collection of Use Taxes.
- 4.69.090 Adoption of Revenue and Taxation Code Sections 7261 and 7262.
- 4.69.100 Place of Consummation of Retail Transaction.
- 4.69.110 Accountability Measures.
- 4.69.120 Amendment.
- 4.69.130 Severability.
- 4.69.140 Effective and Operative Dates; Repeal of the Levy.

**4.69.010. The County of Los Angeles Gang Prevention, Intervention, and Suppression Transactions and Use Tax Act.**

The Ordinance codified in this Chapter shall be known as "The County of Los Angeles Gang Prevention, Intervention, and Suppression Transactions and Use Tax Act."

**4.69.020. Purpose.**

This Chapter is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.5 of Part 1.7 of Division 2 which authorizes the County to adopt this tax Ordinance which shall be operative if two-thirds (2/3) of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax Ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax Ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative

procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax Ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

**4.69.030. Imposition of Retail Transactions Tax.**

There is hereby imposed a tax for the privilege of selling tangible personal property at retail upon every retailer in the County at a rate of one-fourth of one percent (0.25%) of the gross receipts of the retailer from the sale of all tangible personal property sold at retail in the County on and after the operative date of this Chapter. This is in addition to previously imposed transactions and use taxes.

**4.69.040. Imposition of Use Tax.**

There is hereby imposed a complementary tax upon the storage, use or other consumption in the County of tangible personal property purchased from any retailer on and after the operative date of this chapter for storage, use or other consumption in the County. Such tax shall be at a rate of one-fourth of one percent (0.25%) of the sales price of the property whose storage, use or other consumption is subject to the tax. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made. This is in addition to previously approved use taxes.

**4.69.050. Definitions.**

The following words, whenever used in the Ordinance, shall have the meaning as set forth below:

A. "County" means the County of Los Angeles, and for purposes of the application of the tax imposed by this Act, means its incorporated and unincorporated territory.

B. "City" means any charter or general law City within the County of Los Angeles.

C. "Gang Prevention, Intervention, and Suppression Purposes," are as defined in section 4.69.060.

D. "Transaction" or "Transactions" have the same meaning, respectively, as the words "Sale" or "Sales"; and the word "Transactor" has the same meaning as "Seller," as "Sale" or "Sales" and "Seller" are used in Part I (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.

E. "Population" means the most recent annual estimate of population published by the California State Department of Finance, or for a newly incorporated City, the County Auditor/Controller's best estimate, until that newly incorporated City's population is included in the Department of Finance publication.

F. "Adopted Budget" for the County means the budget submitted to the State in November of each fiscal year and is used to determine the amount of combined public safety services funding each fiscal year. "Adopted Budget" for a City means the budget adopted at a public meeting by its respective governing body at the end of the City's normal budget cycle, but no later than September 30.

G. "Base year" means for the County or City, the adopted budget for each entity for fiscal year 2006/07.

H. "Local Financial Resources" means local general fund appropriations for the Sheriff, District Attorney, Probation Department, and City law enforcement agencies less exclusions. Exclusions only apply if they are related to a jurisdiction's defined public safety services by the governing body of the County or City [See 4.69.060 (C) Maintenance-of-Effort for exclusions].

I. "Nonparticipating Entity" is a City or County that elects not to be bound by the Maintenance-of-Effort, certification and accountability measures provided for in this chapter.

**4.69.060. Expenditure Plan for the Use of Revenues Received from the Imposition of the Transactions and Use Tax.**

The revenues raised from the imposition of the transactions and use tax shall be used for Gang Suppression, Prevention, and Intervention Purposes, as follows:

A. Purpose of the Tax.

The revenues raised by this measure will be used to provide sworn and support personnel, equipment and facilities to increase, maintain, improve, expand and strengthen law enforcement, public safety, inter-agency and regional policing, gang suppression, prevention and intervention programs.

Furthermore, revenue shall be used to:

1. Improve crime investigations and basic public safety services by increasing resources for traditional law enforcement services.

2. Strengthen gang enforcement and the suppression of violent crime through inter-agency and regional policing (i.e. "GangNet").
3. Expand community-oriented policing services.
4. Expand youth and adult programs designed to prevent crime.
5. Provide technology and specialized equipment for tracking gang intelligence and information among public safety agencies throughout the County.
6. Provide for expanded justice-related resources necessary to respond to increased arrests resulting from enhanced police services, including jail space, services and staffing.

B. Allocation of Revenues.

Except for revenues received in fiscal year 2005-06, the Auditor-Controller's calculation and apportionment to the County and each City shall be made monthly beginning October 20 of each fiscal year based upon a Maintenance-of-Effort certification form submitted by the public agency requesting an apportionment. The Maintenance-of-Effort certification form shall be submitted by October 1 of the fiscal year, and shall both describe the agency's budgeted use of the revenues derived by this levy, and demonstrate that the amounts budgeted for public safety surpass by at least the amount of apportioned revenue received by way of this tax, the funds previously budgeted for public safety purposes as adjusted pursuant to subdivision C of this section, and shall demonstrate cost of living adjustments based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index for the Los Angeles-Riverside-Orange County Area (CPI) for the most recently published percentage change for the 12-month period for the preceding fiscal year.

The Auditor-Controller shall suspend distribution of funds to any entity that does not file the Maintenance-of-Effort certification form. Funds for which distribution is suspended shall not be disbursed until the next regular distribution following receipt of satisfactory certification. For fiscal year 2006-07 the County and each City shall certify the amount budgeted for public safety purposes in the previous fiscal year and the Auditor-Controller shall distribute funds monthly as prescribed in this chapter.

1. First, from the funds allocated to the County by the State Board of Equalization, the Auditor-Controller shall be reimbursed for actual and necessary direct and indirect costs incurred while complying with this Ordinance. Actual and necessary direct and indirect costs shall be those from the prior fiscal year.

2. Of the remaining funds:

a. Seventeen percent (17%) of the revenue will be allocated to offset the increased operational and administrative costs resulting from the implementation of the Gang Suppression, Prevention, and Intervention Tax Act incurred by agencies within the county, including, but not limited to, county custody operations, and other justice agencies. The seventeen percent will be distributed as follows:

i. Fifty-three percent (53%) to Los Angeles County Sheriff's custody operations.

ii. Twenty percent (20%) to Los Angeles County District Attorney operations.

iii. Fourteen percent (14%) to the following justice agencies impacted by the implementation of this levy as determined by the Financial Coalition:

- Los Angeles County Probation
- Los Angeles County Department of Children &

Family Services

- Independent City Attorney offices

iv. Nine percent (9%) to cover costs associated with the implementation of technology utilized in furtherance of the terms of this levy as approved by the Financial Coalition.

v. Four percent (4%) shall be allocated for distribution by the Board of Supervisors to cover costs associated with entities not specifically described in Section 4.69.060(B)(2)(a)(iii) which incur costs associated with the implementation of this levy. Any deviation from the above-described allocation of 17% of net revenue under this Section 4.69.060 (B)(2)(a) must be approved by a 2/3 majority vote of the Financial Coalition.

b. Sixty-one percent (61%) of the revenue will be earmarked for gang suppression, prevention, intervention and education programs. At least fifty percent (50%) of the money allocated to each entity pursuant to this section shall be utilized for related law enforcement purposes as directed by the Sheriff or chief law enforcement official of the entity receiving the revenue. The formula for the distribution will be population based, with each City receiving a minimum of one hundred thousand dollars.

i. Funds shall be distributed to the County unincorporated areas and each City within Los Angeles County as follows: the minimum allocation of \$100,000 plus a distribution of the remaining balance based on

population percentage. The population shall be determined by the Auditor-Controller based upon data received from the State Department of Finance.

c. Twenty-two percent (22%) shall be allocated for countywide "GangNet" enforcement.

3. All funds allocated to the County will be appropriated by the County Board of Supervisors as part of the annual County budget, in accordance with the terms of the Ordinance.

4. Prior to appropriation by the Board, the Sheriff shall provide annually for Board approval of a proposed methodology as well as program detail related to the unincorporated allocations that takes into consideration such factors as population, response time or crime rates. In the event that during the year the Sheriff is required to shift unincorporated resources provided in his budget because of criminal activity or other factors, the Sheriff will inform the Board of such action as soon as possible.

C. Maintenance-of-Effort.

1. In order to assist local governments in maintaining a sufficient level of gang violence suppression public safety services, the proceeds of this chapter shall be designated exclusively for the purposes specified in section 4.69.060. Local financial resources to the Sheriff and City law enforcement agencies shall not be reduced below the adopted budget for the 2006/07 fiscal year as adjusted. Beginning in fiscal year 2007-08, the minimum Maintenance-of-Effort requirement shall be adjusted annually. For fiscal year 2007-08 only, the minimum Maintenance-of-Effort requirement shall be increased or decreased in accordance with the difference between the actual amount of

Gang Suppression, Prevention, and Intervention Tax Act fund revenue for fiscal year 2006-07 and the estimated allocation for fiscal year 2007-08 but in no event shall it be less than the minimum Maintenance-of-Effort requirement in the fiscal year 2006-07 base year. Beginning in fiscal year 2008-09 and each fiscal year thereafter, the minimum Maintenance-of-Effort requirement shall be increased or decreased annually based on the change in the amount allocated to the County or local agency from The Gang Suppression, Prevention, and Intervention Tax Act in the immediately preceding fiscal year and the corresponding amount allocated to the local agency in the next preceding fiscal year but in no event shall it be less than the minimum Maintenance-of-Effort requirement in the fiscal year 2006-07 base year.

2. The adopted budget for the 2006/07 fiscal year as adjusted may be further adjusted to reflect reduced expenditures necessitated by reductions in state and federal assistance, or reductions in any other revenue source beyond the control of that local government entity. The County shall not take such action without a two-thirds vote of the Board of Supervisors.

3. The adopted budget for the 2006/07 fiscal year shall be adjusted for revenue exclusions. For each exclusion category, only those amounts that were appropriated for public safety services in the respective years adopted budget are excludable. This applies to the "base year" and any subsequent year. Appropriations funded by the following budgeted revenues must be excluded:

- a. Grant funds received by the County or City from any source.
- b. Asset forfeiture revenues received by the County and City.

c. Revenues budgeted, including revenues from capital leases, by the County or City for capital outlay expenditures, which include any debt service payments or fixed asset purchase.

d. Revenues budgeted for providing public safety services under contract to another jurisdiction.

e. Revenues budgeted in the current fiscal year as a result of a change of organization or reorganization that became effective pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 subsequent to the "base year."

f. Revenues budgeted by the County or City pursuant to Chapter 3 of Part 6 of Division 3 of Title 2, or any other reimbursement by the State for homicide trial costs, including, but not limited to, Chapter 1649 of the Statutes of 1990 and its successors.

g. Revenues budgeted from any source by the County or City to respond to a state of emergency declared by the Governor pursuant to the California Emergency Services Act.

h. Appropriations by the County or City, for one-time expenditures related to public safety services. One-time expenditures mean material non-recurring expenditures.

i. Budgeted appropriations must be adjusted upwards for cost savings (actuarial savings, reduced costs for pension obligations due to the issuance of pension bonds) in appropriations for retirement and workers' compensation costs that do not result in a change in benefit levels.

4. If a loss or reduction in revenue including state and federal assistance, or reductions in any other revenue source beyond the control of that local government entity occurs, proceeds from this Ordinance may be used to ensure public safety funding is not reduced below the adopted budget for the 2006/07 fiscal year as adjusted, only if local financial resources to public safety are not reduced more than the total percent of the loss or reduction within the affected year. Except as prescribed Gang Suppression, Prevention, and Intervention Tax Act revenues received by the County or a local agency may not be utilized to meet the Maintenance-of-Effort requirements of the Act.

D. Unspent Funds.

Any unspent proceeds from this Ordinance allocated to the County or a participating local agency, within a fiscal year, shall be held in a public safety reserve trust account established by that entity. Each entity shall annually determine the amount of unspent funds from the prior year and reduce future appropriations in the same amount for the purposes specified in Section 4.69.060(A).

E. The allocation to the County or a participating local agency in any fiscal year shall be reduced if the amount of funding for public safety services for that entity is less than the 2006/07 adopted budget amount, adjusted as required by Section 4.69.060(C)(3). The reduction shall be the difference between the amount funded and the adjusted base year Maintenance-of-Effort requirement. Nonparticipating entities shall not receive funding. Funds otherwise allocable to a nonparticipating entity, funds from an allocation because of an entity's failure to meet the base year requirement, and funds unspent more than five years after their allocation will be returned to the pool for

redistribution as prescribed in this chapter, and may, as necessary, be deducted by offset against an entity's current-year allocation.

**4.69.070. Application of Sales and Use Tax Provisions of Revenue and Taxation Code.**

The provisions contained in Part 1 of Division 2 of the Revenue and Taxation Code (Sales and Use Taxes, commencing with Section 6001), insofar as they relate to sales or use taxes and are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code (Transactions and Use Taxes), commencing with Section 7251, and all amendments thereto shall apply and be part of this Ordinance, being incorporated by reference herein.

Pursuant to the provisions of Revenue and Taxation Code Section 7270, the County shall contract with the California State Board of Equalization to perform all functions incident to the administration and operation of the Ordinance; provided, that if the County shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such contract.

**4.69.080. Limitations on Adoption of State Law and Collection of Use Taxes.**

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Whenever the State of California is named or referred to as the taxing agency, the name of this County shall be substituted therefor. However, the substitution shall not be made:

1. When the word "State" is used as part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California.

2. When the result of that substitution would require action to be taken by or against this County or any agent, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Chapter.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "County" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

**4.69.090. Adoption of Revenue and Taxation Code Sections 7261 and 7262.**

Pursuant to the provision of Revenue and Taxation Code Section 7262.2, the required provisions of Sections 7261 and 7262 of that Code as now in effect or as later amended are adopted by reference in this Ordinance.

**4.69.100. Place of Consummation of Retail Transaction.**

For the purpose of a retail transaction tax imposed by this Ordinance, all retail transactions are consummated at the place of business of the retailer, unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for the delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the State sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State, or has more than one place of business, the place or places at which the retail sales are consummated for the purpose of the transactions tax imposed by this Ordinance shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

**4.69.110. Accountability Measures.**

Proceeds derived from the levy shall be distributed to the County of Los Angeles and all participating agencies as prescribed under Section 4.69.060.

The Auditor-Controller of the County of Los Angeles shall create an account into which the proceeds from the special tax received from the State Board of Equalization shall be deposited. For funds received in fiscal year 2006-07, each entity shall certify that the funds were used for gang suppression and enforcement purposes. Each entity authorized to receive an allocation of funds from this Ordinance shall annually adopt, in a public meeting, an accounting of the use of funds received as a result of this levy, and of funds held in reserve or trust. Funds held in reserve or trust shall be identified by the County fiscal year period in which they were received. This report shall be filed no later than November 30 of each year with the Auditor-Controller of the County. The Auditor-Controller shall in turn file a report with the County Board of Supervisors, stating the amount of funds collected and expended pursuant to this measure. This report shall be filed by January 1 following the first full fiscal year for which proceeds from this tax were allocated, and every January 1 thereafter so long as this tax continues to be levied.

The Financial Coalition will oversee and coordinate the distribution of funds and provide direction to countywide gang suppression and enforcement efforts. The Financial Coalition includes the Sheriff of Los Angeles County, the Chief of the Los Angeles Police Department, the Chief Administrative Officer of Los Angeles County, the President of the Independent Police Chief's Association of Los Angeles County, the District Attorney of the County of Los Angeles, a member of the California Contract Cities Association, and a member of the Independent Cities Association of Los Angeles County.

The Financial Coalition shall review the annual report from the Auditor-Controller stating the amount of funds collected pursuant to this levy, to review the distribution of

funds pursuant to the terms of the Ordinance, ensure the implementation of an independent audit program which reviews and reports upon all funds distributed pursuant to this levy, to direct the mission and strategies of "GangNet," and to report thereon annually to the Board of Supervisors. The County Board of Supervisors shall consult with the Financial Coalition prior to addressing the suspension of this levy for the purpose of considering the impact or ramifications that could result from suspension. The Auditor-Controller shall prescribe suitable procedures for the annual report. At the direction of the County Board of Supervisors, the Auditor-Controller may audit the information provided by any public entity receiving funds from this levy, to determine compliance with this Ordinance.

**4.69.120. Amendment.**

A. This chapter may be amended only if the amendment is approved by at least a four-fifths vote of the Board of Supervisors and only if the Board of Supervisors finds that the amendment is needed to address an administrative or procedural question so as to further the purposes of this chapter.

B. All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance, provided, however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

**4.69.130. Severability.**

If any provision of this chapter, or its application to any person, entity or circumstance, is held invalid, the remainder of this chapter to the extent it can be given effect, or the application of such provision to persons, entities, or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this chapter are severable.

**4.69.140. Effective and Operative Dates; Repeal of the Levy.**

This Ordinance shall take effect when approved by a two-thirds vote of the qualified voters of the County voting in an election on the issue. The Ordinance will become operative on the first day of the first calendar quarter commencing more than 110 days after the Ordinance takes effect, subject to Section 4.69.070. The levy may be repealed by the Board of Supervisors of the County. The County shall give the Board of Equalization written notice of the repeal of the Ordinance not less than 110 days prior to the operative date of the repeal. The operative date of the repeal must be at the end of a calendar quarter.

**SECTION 4.**

The votes cast for and against the Proposition shall be separately counted and if the Proposition receives the required number of votes, to wit: two-thirds of the votes of the qualified electors voting on the Proposition, the special tax in the amounts and for the purposes stated herein shall be effective and levied by the County.

**SECTION 5.**

All qualified voters of the County residing within the cities and unincorporated areas of the County shall be permitted to vote in the election to be held as nearly as practicable in conformity with the Elections Code of the State of California.

**SECTION 6. Enjoining Collection Forbidden.**

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the County, or against any officer of the State or the County, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

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