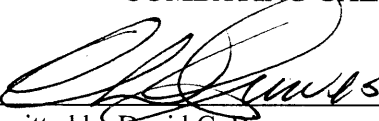





City of Carson Report to Mayor and City Council

April 17, 2012
New Business Consent

**SUBJECT: CONSIDERATION OF RESOLUTION NO. 12-040 SUPPORTING SB 1185
COMBATING CALIFORNIA'S UNDERGROUND ECONOMY**


Submitted by David C. Biggs
City Manager


Approved by David C. Biggs
City Manager

I. SUMMARY

On April 3, 2012, State Board of Equalization Chairman, Jerome Horton held a conference call with a number of local elected officials, including Mayor Dear. The conference call was scheduled to discuss and gain support for SB 1185 (Price), a bill created to combat California's Underground Economy. Tonight the City Council is asked to support Resolution No. 12-040 which supports SB 1185 (Exhibit No. 1).

II. RECOMMENDATION

TAKE the following actions:

1. WAIVE further reading and ADOPT Resolution No. 12-040, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, SUPPORTING SB 1185 COMBATING CALIFORNIA'S UNDERGROUND ECONOMY."
2. DIRECT staff to transmit an executed copy of the resolution to Senator Curren Price, Board of Equalization Chairman Jerome Horton and to each member of the committee that will be reviewing SB 1185 at the time this resolution is executed.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The underground economy robs cities of money that would support a community's needs like education, public safety, transportation, etc. SB 1185 will create the Centralized Intelligence Partnership (CIP), a multiagency task force, to combat the state's underground economy.

The illegal underground operations in California cost the economy an estimated \$8 billion annually. This underground economy contributes greatly to human trafficking which the Carson City Council adamantly opposes.

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The members of the CIP would collaborate in combating illegal underground operations by providing a central intake process and organizational structure, with an administrator and support staff, to document, review, and evaluate data and complaints. Moreover, SB 1185 would create an advisory committee, comprised of one representative from each entity participating in the partnership, to provide guidance on the activities and operations of the partnership. This would be a true collaborative effort.

V. **FISCAL IMPACT**

None.

VI. **EXHIBITS**

1. Resolution No. 12-040. (pgs. 3-4)

Document1

Prepared by: Lisa A. Berglund, Principal Administrative Analyst

TO:Rev03-08-12

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development	Public Services

Action taken by City Council

Date_____ Action_____

RESOLUTION NO. 12-040

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON,
CALIFORNIA SUPPORTING SB 1185 COMBATING CALIFORNIA'S
UNDERGROUND ECONOMY

WHEREAS, California's underground economy deprives the state of an estimated \$8 billion in tax revenues annually through unreported and underreported economic activity, including the sale or transfer of stolen, counterfeit, or untaxed products; and

WHEREAS, California's tax revenues support critical local programs and services that are vital to our city's operations; and

WHEREAS, the underground economy undercuts legitimate business with unfair competition; and

WHEREAS, the underground economy harms many of California's signature industries; and,

WHEREAS, California is one of the top four human trafficking destinations, and California's underground economy frequently exploits victims of human trafficking; and

WHEREAS, the Centralized Intelligence Partnership proposed by SB 1185 (Price) is a legislative effort to recapture unreported taxes, stemming from the proliferation of illegal business enterprises and the exploitation of workers, and provides for centralized processing for fraud allegations, as well as global statewide strategic planning for combating the underground economy; and

WHEREAS, the Centralized Intelligence Partnership would comprise staff from the State Board of Equalization, the Franchise Tax Board, the Employment Development Department, the Department of Industrial Relations, the Department of Insurance, among others; and

WHEREAS, the Centralized Intelligence Partnership will help level the playing field for legal businesses; and

WHEREAS, the Centralized Intelligence Partnership will increase legal jobs and improve public safety by suppressing criminal elements; and

WHEREAS, the Centralized Intelligence Partnership, once fully implemented, will facilitate the renewal of a more robust economy by leveling the playing field for all legitimate business; thereby increasing revenues available for state and local public services.

EXHIBIT NO. 01

[MORE]

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NOW, THEREFORE, BE IT RESOLVED, that the city of Carson supports the efforts of the Legislature to address this important issue and protect citizens and businesses from the deleterious effects of the underground economy.

PASSED, APPROVED and ADOPTED this _____ day of April, 2012.

Mayor Jim Dear

City Clerk Donesia Gause, CMC

APPROVED AS TO FORM:

City Attorney

