

RESOLUTION NO. 7489

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE
SUPPORTING SENATE BILL 1185 (PRICE) CREATING A
CENTRALIZED INTELLIGENCE PARTNERSHIP TO COMBAT
THE STATE'S UNDERGROUND ECONOMY**

WHEREAS, underground economy refers to those individuals and businesses that deal in cash only and use schemes to conceal their activities, identities and true tax liabilities from government licensing, regulatory, and taxing agencies; and

WHEREAS, underground economic activities include the sale or transfer of illegal goods, such as pirated music or movies, counterfeit pharmaceutical drugs, clothing, accessories, weapons, tax evasion or fraud, and untaxed tobacco and alcohol sales; and

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 businesses with unfair competition and 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 (CIP) proposed by Senate Bill 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 CIP would comprise staff from the Board of Equalization, the Franchise Tax Board, the Employment Development Department, and Departments of Insurance, Justice, Health, Motor Vehicles, Consumer Affairs and Industrial Relations; and

WHEREAS, the CIP will help level the playing field for legal businesses and will increase legal jobs and improve public safety by suppressing criminal elements; and

WHEREAS, the CIP, once fully implemented, will facilitate the renewal of a more robust economy by leveling the playing field for all legitimate businesses thereby, increasing revenues available for State and local public services;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby supports Senate Bill 1185 (Price) creating a Centralized Intelligence Partnership to combat the State's underground economy.

SECTION 2. A certified copy of this Resolution shall be forwarded to Senator Curren Price, 26th District, and the Board of Equalization.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED and ADOPTED on this 24th day of April, 2012.

CITY OF SOUTH GATE:



W.H. (Bill) De Witt, Mayor

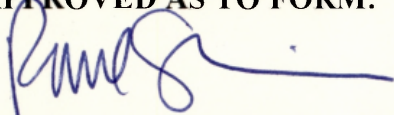
ATTEST:



Carmen Avalos, City Clerk

(SEAL)

APPROVED AS TO FORM:



Raul F. Salinas, City Attorney

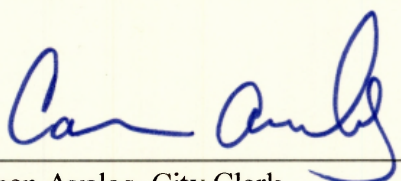
RESOLUTION CERTIFICATION PAGE

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SOUTH GATE)

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the City Council of said City is five; that Resolution No. 7489 was adopted by the City Council at their Regular Meeting held on April 24, 2012, by the following vote:

Ayes: Council Members: Davila, De Witt, Hurtado, Gonzalez and Morales
Noes: Council Members: None
Absent: Council Members: None
Abstain: Council Members: None

Witness my hand and the seal of said City on April 25, 2012.



Carmen Avalos, City Clerk
City of South Gate, California