

SEC. 21.10.3. DWELLING UNIT CONSTRUCTION TAX.

(a) There is hereby imposed an excise tax upon every person who constructs or causes to be constructed any new dwelling unit in the City of Los Angeles in which said person has an equity or title. The tax imposed by this section shall be at the rate of two hundred dollars (\$200.00) per dwelling unit.

1. The tax imposed by this section shall be imposed regardless of whether the new dwelling unit is created by new construction or by modification of existing structures. The tax imposed shall apply to new mobile home park sites regardless of whether they are part of a new mobile home park or an addition to an existing park. The tax imposed shall also apply to the conversion of an existing apartment building into a condominium or condominiums if the construction of the apartment building did not subject any person to the tax imposed by this article.

(b) Where, as a condition of approval of a subdivision of land or of the finalization of a zone change to a zone which permits a multiple residential use, which subdivision or zone change includes the land whereon the new dwelling unit is to be constructed, a fee has been paid, or improvements or recreational facilities have been installed, constructed, or guaranteed to an existing City park or upon land being dedicated as a City park, or land has been dedicated to the City of Los Angeles, all pursuant to the provisions of Sections 12.22 or 17.12 of the Los Angeles Municipal Code, or where a voluntary payment of such a sum, or dedication of such land, or the installation or construction of such recreational facilities or improvements has been made, or any combination thereof as would have been required by Sections 12.33 or 17.12 of such Code, if applicable, has occurred, a credit shall be allowed against the tax imposed by this article in the amount of the fee so paid, or the fair market value of the land so dedicated, or the value of the improvements or recreational facilities installed, constructed or guaranteed, or a combination of any of the above. As used herein the term "fair market value" shall mean the valuation of the particular land by the Board of Recreation and Park Commissioners and shall be based upon the proportionate portion of the appraised value of all the land within the subdivision or zone change property which the area dedicated bears to the area of all the land within the subdivision or zone change property, which appraisal is prepared by a qualified real estate appraiser, approved by the Real Estate Division of the Bureau of Engineering of the City, and employed by the property owner at his own expense, and which appraisal, after report and recommendation by the Real Estate Division of the Bureau of Engineering is accepted as reasonable by the Board of Recreation and Park Commissioners. The value of the improvements or the facilities referred to in this section shall be established pursuant to Section 17.12F8 of the Los Angeles Municipal Code. A credit shall also be allowed where a conversion of an existing apartment building into a condominium or condominiums has resulted in the payment of a fee, the construction, installation or guarantee of recreational facilities or improvements, or the dedication of land, or any of the above, to the City of Los Angeles pursuant to the provisions of Sections 12.33 or 17.12 of the Los Angeles Municipal Code. A credit shall also be allowed for the amount of tax paid under this article because of the modification of a structure when the structure is subsequently converted from an apartment building into a condominium or condominiums. Provided, however, that in no event shall the amount of credit exceed the amount of tax; further provided that no credit against the tax established hereby shall be allowed, and no set-off against said tax shall be permitted, in those instances where a person received an exemption or credit under the provisions of Subdivisions 1, 3, 4 or 5 of Subsection F of Section 17.12 or Section 12.33 of the Los Angeles Municipal Code. **(Amended by Ord. No. 163,797, Eff. 8/8/88.)**

(c) The tax imposed by this article shall be paid to the Department of Building and Safety. The Director of Finance is directed to enforce each and all of the provisions of this article and may make such rules and regulations as are not inconsistent with this article as may be necessary or desirable to aid in the enforcement of these provisions. The Director of Finance may demand statements in writing from any person subject to tax calling for information as he may deem pertinent for the administration and collection of the tax. It shall be the duty of any such person receiving such a demand from the Director of Finance to furnish such information. The Director of Finance may require any statement to be verified. **(Amended by Ord. No. 175,083, Eff. 3/25/03.)**

(d) The tax collected pursuant to this article shall be placed in a “**Park and Recreational Sites and Facilities Fund**,” to be exclusively for the acquisition and development of park and recreational sites and facilities. Any refunds required or permitted by law, of taxes collected under this article shall be made from that Fund.

(e) The tax imposed by this article shall not apply to construction which is subsidized, in whole or part, by the federal or state government, where a majority of the units are built for senior citizens or disabled persons of low income by non-profit corporations, where the property is exempt from County property taxes and any income therefrom is exempt from federal and state income taxes, and the construction and development thereof complies with the provisions of Section 17.12 of the Los Angeles Municipal Code. **(Amended by Ord. No. 168,771, Eff. 7/9/93, Oper. 1/1/89.)**

(f) The tax imposed by this article shall not apply to the construction of any dwelling unit which qualifies a residential facility as a “**shelter for the homeless**,” as that term is defined in Section 12.03 of this Code. **(Added by Ord. No. 164,785, Eff. 6/5/89.)**

(g) The tax imposed by this article shall not apply to the reconstruction or replacement of a dwelling unit which was damaged or destroyed as a result of the earthquake of January 17, 1994 and its aftershocks, as determined by the Department of Building and Safety. **(Added by Ord No. 169,952, Eff. 8/26/94.)**