

GOVERNOR'S VETO
AB 1685 (Bryan)
As Enrolled September 1, 2022
2/3 vote

SUMMARY

Requires processing agencies to forgive at least \$1,500 in parking tickets for individuals who are verified to be homeless if the processing agency wants to use the Department of Motor Vehicles (DMV) to place a hold on a person's vehicle registration until they pay unpaid parking tickets.

Senate Amendments

- 1) Remove the requirement for the California Interagency Council on Homelessness to annually submit a report to the Legislature.
- 2) Remove the state mandate and instead make the forgiveness requirement contingent on the processing agencies' ability to place a hold on a person's vehicle registration until they pay unpaid parking tickets.

Governor's Veto Message

This bill requires processing agencies to forgive at least \$1,500 in parking tickets for individuals who are verified to be homeless if the processing agency uses the Department of Motor Vehicles (DMV) to place a registration hold on vehicles as a means of enforcement.

I am sympathetic to the author's intent to provide financial relief to extremely low-income Californians, but a statewide requirement for parking ticket forgiveness may not be the best approach.

Under current law, processing agencies are already required to take several steps prior to asking DMV to collect the unpaid debt from indigent individuals, including establishing a payment program and waiving late fees and penalty assessments. Under this bill, there would be no limit to the number of times a person could ultimately seek relief from the program.

Local governments should provide support to people living in cars in other manners, while continuing with parking enforcement to manage their public rights-of-way. Some jurisdictions have already taken it upon themselves to link people living in cars with housing and services, for example by establishing safe parking programs. These efforts have shown promise for both people living in their cars, as well as the surrounding communities. Safe parking strategies are an eligible use of discretionary funding from programs such as the Homeless Housing Assistance & Prevention (HHAP) - of which \$1 billion has been allocated to cities and counties this year alone.

In recent years, we have made record investments in the budget to produce affordable housing and address homelessness, but it is still not enough to make the progress we all wish to see. I remain committed to continuing the state's leadership to address this critically important issue and I look forward to working with the author and the Legislature on proposals in the budget next year demonstrating this shared commitment.

COMMENTS

With these amendments, this bill is substantially similar to the bill that was heard in the Assembly.

The cost of fines and fees associated with traffic and parking citations has steadily increased over the last few decades. After adding on fees to base fines, tickets can total in the hundreds of dollars. Add-on fees for minor offenses double or quadruple the original fine, and until recently California suspended driver's licenses for failure to pay traffic fines.

For parking tickets, local agencies are allowed to use the Department of Motor Vehicles (DMV) to collect unpaid debt. DMV can require payment in full for unpaid parking tickets in order to renew vehicle registration. For indigent individuals, these piling fees have created a cycle of debt where they are unable to pay back parking fines, and then get additional fines for driving an unregistered vehicle and an increased vehicle registration fee for late payments.

The cost from being late on payment of a parking ticket could easily spiral out of control for an indigent person. In Sacramento, the fine for a parking ticket amounts to \$52. If someone is unable to pay that ticket on time, the late fee adds an additional \$52. If Sacramento then were to ask DMV to collect the unpaid debt, DMV would add the entire cost of the outstanding parking ticket and fines to vehicle registration fees. If someone were unable to pay this amount all at once on top of their vehicle registration fees, late fees for vehicle registration increase by 60% of the original fee for payments over 30 days late, which can increase the registration fee as much as \$100. If a person is then pulled over for having an unregistered vehicle, the fine for driving unregistered vehicles is currently \$285. All totaled, these fines alone add up to \$489. This would amount to 1/3 of a single individual's monthly income if they made the maximum amount of money to be eligible for Medi-Cal.

The unpaid debt is not the only issue for someone who received parking tickets. Having five or more unpaid parking tickets allows law enforcement to tow someone's vehicle or place a restrictive device on it. If the fines are moved to DMV for collections and the individual cannot afford to pay their vehicle registration, law enforcement can tow the vehicle if the registration is more than six months expired.

Recovering a vehicle after it has been towed is expensive. *Towed into Debt: How Towing Practices in California Punish Poor People*, a report issued by the sponsors of this bill, notes that the average tow fee in California is \$189, with a \$53 storage fee per day and a \$150 administrative fee. After three days of storage, a towing fee could come out to \$499. The cost of five unpaid parking tickets in Sacramento would result in a total cost of \$520 with late fees. The cost of a three day tow plus the costs of the five unpaid parking tickets (\$1,019) would amount to all but \$400 of an indigent person's monthly income if they made the maximum amount to make them eligible for Medi-Cal.

The Legislature passed AB 503 (Lackey), Chapter 741, Statutes of 2017, to stop the spiral of debt for an indigent person. Assemblymember Lackey introduced two follow-up bills as a result of processing agencies trying to get around implementing the law. AB 2544 (Lackey), Chapter 494, Statutes of 2018, clarified that parking agencies had to offer payment plans for tickets issued prior to July 1, 2018, because processing agencies refused to consider older tickets when implementing the law. AB 833 (Lackey), Chapter 495, Statutes of 2019, clarified that the \$300 maximum cap for which a parking agency had to offer a payment plan only applied to the base

finer, not to late penalties, because the City of Sacramento was refusing to offer payment plans to individuals who had more than two tickets with a late fee. In 2020, the Legislature passed AB 3277 (Jones-Sawyer) Chapter 55, which increased the maximum cap from \$300 to \$500.

As of January of 2018, the United States Interagency Council on Homelessness estimates that there are 129,972 individuals experiencing homelessness on any given day. Of that total, 6,702 were family households, 10,836 were veterans, 12,396 were unaccompanied young adults (aged 18-24), and 34,332 were individuals experiencing chronic homelessness. According to *Towed into Debt*, one third of the estimated 39,000 homeless individuals in Los Angeles live in vehicles.

According to the Author

"Parking enforcement can exacerbate poverty and the cost of enforcement for local governments are often greater than the fines and fees that end up being collected. AB 1685 will waive many parking fees for people who are unhoused. Instead of continuing to penalize poverty, let's save some money with good policy and use it to get people more of the housing and services they really need. Lose your financial stability, lose your house. Lose your house, live in your car. Lose your car, set up an encampment. This cycle of poverty is vicious and AB 1685 creates the policy solution that allows us to do better."

Arguments in Support

According to The Los Angeles Homeless Services Authority, the sponsors of this bill, "Vehicles provide a last vestige of stability, and a way to access jobs, appointments with doctors, case managers, and way to maintain the social networks that can provide a way out of crisis. Unfortunately, many unhoused people's vehicles are at risk of being towed due to outstanding parking citations. Much of this debt goes unpaid and uncollected. But, in some cases, people experiencing homelessness pay what little money they have available to clear their tickets, or turn to service providers and outreach workers to use homeless service funds to clear these citations.

AB 1685 builds on existing programs by creating a state-wide solution, directing cities to create programs similar to those developed by the City Los Angeles and City of San Francisco that create opportunities for people experiencing homelessness to waive their ticket balances. Parking fines significantly burden this population while also threatening the loss of their vehicle, while providing very little revenue for the government.

Arguments in Opposition

According to the California Public Parking Association (CMPA), "CMPA is opposed to the potential scope of the fine forgiveness and is also concerned that the measure does not restrict the \$1,500 amount to a single agency. Municipal, University and other public parking programs are typically independent operations that enforce local parking rules, as well as state and local laws related to parking in order to benefit the residents and visitors to those jurisdictions. At their fundamental core, parking Enforcement programs are designed to ensure compliance of local and state parking regulations to facilitate availability of parking spaces throughout the city, which supports local businesses and events. While the stated goal of AB 1685 is laudable, CMPA urges consideration of the collateral impacts on municipalities if the tools used to bolster compliance are largely removed."

FISCAL COMMENTS

According to Senate Appropriations Committee:

- 1) The California Interagency Council on Homelessness (Cal-ICH) estimates costs of approximately \$645,000 in the first year and \$613,000 annually ongoing for 4.0 PY of staff to develop a process to determine homeless eligibility status, solicit, compile, and collect information from processing agencies, and establish and administer a database to collect and store information. (General Fund)
- 2) Unknown, potentially significant state costs for state parking entities (primarily state institutions of higher education) to establish parking citation forgiveness programs, determine applicants' status as homeless, post information on websites, and report specified information to Cal-ICH. (General Fund, State University Parking Revenue Fund)
- 3) Unknown, significant reduction in state parking citation revenue (for citations issued by state parking entities) related to the mandatory forgiveness of at least \$1,500 in parking debt per eligible applicant each year. Staff notes that homeless persons are likely to opt for this forgiveness program rather than entering into a payment plan, as specified in existing law. (State University Parking Revenue Fund, other funds administered by institutions of higher education)
- 4) Unknown significant local costs and revenue losses related to the requirements that processing agencies establish parking citation forgiveness programs for individuals experiencing homelessness, waive fines and fees, provide information on websites, and report specified information to Cal-ICH. It is unclear whether these costs would be reimbursable by the state because local entities appear to have fee authority that disclaims state responsibility for reimbursement. Ultimately, however, whether local costs are reimbursable would be subject to a determination by the Commission on State Mandates, to the extent an eligible local agency files a test claim. (General Fund)

VOTES**ASM TRANSPORTATION: 14-0-1**

YES: Friedman, Fong, Berman, Daly, Davies, Gipson, Kalra, Lee, Medina, Nazarian, Nguyen, O'Donnell, Ward, Wicks

ABS, ABST OR NV: Cunningham

ASM HOUSING AND COMMUNITY DEVELOPMENT: 7-0-1

YES: Wicks, Carrillo, Gabriel, Kalra, Kiley, Quirk-Silva, Ward

ABS, ABST OR NV: Seyarto

ASM APPROPRIATIONS: 16-0-0

YES: Holden, Bigelow, Bryan, Calderon, Carrillo, Megan Dahle, Davies, Mike Fong, Fong, Gabriel, Eduardo Garcia, Levine, Quirk, Robert Rivas, Akilah Weber, Wilson

ASSEMBLY FLOOR: 74-0-4

YES: Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Bigelow, Bloom, Boerner Horvath, Mia Bonta, Bryan, Calderon, Carrillo, Cervantes, Chen, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Mike Fong, Fong, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gray, Grayson, Haney, Holden, Irwin, Jones-Sawyer, Kalra, Kiley, Lackey, Lee, Levine, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Mullin, Muratsuchi, Nazarian, Nguyen, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Santiago, Seyarto, Stone, Ting, Valladares, Villapudua, Voepel, Waldron, Ward, Akilah Weber, Wicks, Wilson, Wood, Rendon

ABS, ABST OR NV: Berman, O'Donnell, Salas, Smith

SENATE FLOOR: 31-3-6

YES: Allen, Atkins, Bates, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hurtado, Kamlager, Laird, Leyva, Limón, McGuire, Min, Newman, Ochoa Bogh, Pan, Portantino, Roth, Skinner, Stern, Umberg, Wieckowski, Wiener, Wilk

NO: Jones, Melendez, Nielsen

ABS, ABST OR NV: Archuleta, Borgeas, Dahle, Grove, Hueso, Rubio

ASSEMBLY FLOOR: 76-0-4

YES: Aguiar-Curry, Alvarez, Arambula, Bauer-Kahan, Bennett, Berman, Bigelow, Bloom, Boerner Horvath, Mia Bonta, Bryan, Calderon, Carrillo, Cervantes, Chen, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Mike Fong, Fong, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gray, Grayson, Haney, Holden, Jones Sawyer, Kalra, Kiley, Lackey, Lee, Levine, Low, Maienschein, Mathis, Mayes, McCarty, McKinnor, Medina, Mullin, Muratsuchi, Nazarian, Nguyen, O'Donnell, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Santiago, Seyarto, Stone, Ting, Valladares, Villapudua, Waldron, Ward, Akilah Weber, Wicks, Wilson, Wood, Rendon

ABS, ABST OR NV: Irwin, Salas, Smith, Voepel

UPDATED

VERSION: September 1, 2022

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FN: 0004672