

Date of Hearing: April 27, 2022

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Buffy Wicks, Chair

AB 1685 (Bryan) – As Amended April 6, 2022

SUBJECT: Vehicles: parking violations

SUMMARY: Requires processing agencies to forgive at least \$1,500 in parking tickets for individuals who are verified to be experiencing homelessness. Specifically, **this bill:**

- 1) Requires processing agencies to forgive at least \$1,500 in parking tickets once per calendar year for individuals who have been verified to be experiencing homelessness.
- 2) Allows an applicant to ask for forgiveness at least four times a year.
- 3) Authorizes a processing agency to verify an applicant's status through a continuum of care (CoC) or a homeless services provider, including, but not limited to, a health care provider, legal services provider, or other entity that services people experiencing homelessness and makes referrals to other homeless services providers, that is connected to the coordinated entry system and is contracting with a CoC.
- 4) Authorizes a legal services provider or health care provider to require an applicant to be a client in order to verify that a person is experiencing homelessness.
- 5) Provides that an area in which the availability of homeless services providers is sparse, as determined by the CoC, the California Interagency Council on Homelessness (CA-ICH) shall develop an alternative low-barrier process to determine an applicant's status as homeless.
- 6) Prohibits a processing agency from establishing or imposing any additional qualifications for citation forgiveness under this program, including mandatory participation in any service or program, or mandatory community service.
- 7) Requires processing agencies to include the following information in the same manner that it generally provides public information and instructions on the payment of parking citations, including at any in-person payment counter, telephone recording, and in a clear and easily accessible location on its internet website:
 - a) The availability of a parking citation forgiveness program for persons who are experiencing homelessness; and,
 - b) Clear instructions on eligibility, program limitations, and instructions on how to apply.
- 8) Requires processing agencies, to annually report to the CA-ICH the number of applications received pursuant to this section, and the total number of citations and total amount of penalties and fines waived during the previous calendar year, in a form prescribed by the council, starting March 1, 2024.
- 9) Requires CA-ICH to submit a report to the Legislature annually compiling the information received from all processing agencies starting June 1, 2024.

EXISTING LAW:

- 1) Provides several options to processing agencies collecting unpaid parking penalties for tickets, including filing an itemization of unpaid parking penalties and service fees with DMV for collection with the registration of a vehicle, so long as the processing agency:
 - a) Provides a payment plan option for indigent persons, as defined, that allows unpaid parking fines and fees to be paid off in monthly installments of no more than \$25 for total amounts due that are \$500 or less, in a period within 24 months. No prepayment penalty for paying off the balance prior to the payment period may be assessed;
 - b) Waives all late fees and penalty assessments, exclusive of any state surcharges, as defined, if an indigent person enrolls in the payment plan. Waived late fees and penalty assessments may be reinstated if the person falls out of compliance with the payment plan;
 - c) Limits the processing fee to participate in a payment plan to \$5 or less for indigent persons and \$25 or less for all other persons. The processing fee may be added to the payment plan amount at the discretion of the payee; and,
 - d) Allows the application for indigency determination for a period of 120 calendar days from the issuance of a notice of parking violation, or 10 days after the administrative hearing determination, whichever is later.
- 2) Requires a processing agency to allow a registered owner or lessee who falls out of compliance with a payment plan a one-time extension of 45 calendar days from the date the plan becomes delinquent to resume payments before the processing agency files an itemization of unpaid parking penalties and service fees with DMV.
- 3) Requires a processing agency to include information regarding its payment plan option above on its public website, and a web page link and telephone number to more information on the program.
- 4) Defines “indigent” for the purposes of this section to mean anyone who meets the income requirements for or is currently on several public assistance programs, including: Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP, or more commonly known as food stamps), Medi-Cal or IHSS.
- 5) Establishes the CA-ICH with the purpose of coordinating the state’s response to homelessness by utilizing Housing First Practices.

FISCAL EFFECT: Unknown

COMMENTS: *Author’s statement:* 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.”

Homelessness in California: Based on the 2020 point in time count, California has the largest homeless population in the nation with 161,548 people experiencing homelessness on any given night. Many of those people, 113,660 are unsheltered meaning they are living outdoors and not in temporary shelters. Nearly half of all unsheltered people in the country were in California. The homeless crisis is driven in part by the lack of affordable rental housing for lower income people. In the current market, 2.2 million extremely low-income and very low-income renter households are competing for 664,000 affordable rental units. Of the six million renter households in the state, 1.7 million are paying more than 50 percent of their income toward rent. The National Low Income Housing Coalition estimates that the state needs an additional 1.5 million housing units affordable to very-low income Californians.

Traffic fines and fees: 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 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 has passed several bills to address the impact of parking debt on indigent persons. AB 503 (Lackey), Chapter 741, Statutes of 2017 to stop the spiral of debt for an indigent person. 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 fines, 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.

Arguments in support: According to The Los Angeles Homeless Services Authority, the sponsors of this bill, “According to the 2020 Greater Los Angeles Count, there were at least 18,904 people living in 11,124 vehicles on any given night in Los Angeles County. For many of our unhoused neighbors, their vehicles provide protection from sleeping directly on the sidewalk. 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. AB 1685 would create the mechanism in California for those experiencing homelessness to receive much needed debt relief, both avoiding damaging vehicle tows that send people deeper into crisis, while also preserving flexible homeless service dollars to focus on moving these individuals into housing.”

Arguments in opposition: The California Mobility and Parking Association “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.”

Double referred: This bill is double referred. It was heard in the Assembly Committee on Transportation and passed on a vote of 14-0 on April 4, 2022

REGISTERED SUPPORT / OPPOSITION:

Support

Housing California (Sponsor)
Los Angeles Homeless Services Authority (Sponsor)
Abundant Housing LA
Asian Americans Advancing Justice - California
Bend the Arc: Jewish Action, Southern California
Brilliant Corners
California Housing Partnership Corporation
Corporation for Supportive Housing
Culver City Democratic Club
Downtown Women's Center
Inner City Law Center
John Burton Advocates for Youth
LA Family Housing
National Alliance to End Homelessness
National Association of Social Workers, California Chapter
North Westwood Neighborhood Council, Community Health & Homelessness Committee
Orange County United Way
Root & Rebound
Sycamores
The People Concern
Western Center on Law & Poverty

Opposition

California Mobility and Parking Association

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