ASSEMBLY THIRD READING
AB 1082 (Kalra)
As Amended May 19, 2023
Majority vote

SUMMARY

Limits the authority to tow a vehicle or install a device designed to immobilize a vehicle for having five or more unpaid parking tickets or traffic tickets to only apply to higher education institutions and makes various reforms to requirements on processing agencies to offer payment plans for parking tickets in order to use the Department of Motor Vehicles (DMV) for collection purposes.

Major Provisions

1) Limits various sections related to notice requirements and lien sales related to vehicles impoundment for reasons related to unpaid parking and traffic tickets to only apply to higher education institutions like the University of California, California State University and the California Community Colleges.

2) Only permits processing agencies, except for institutions of higher learning, to submit unpaid parking tickets to DMV for collections purposes if there are six or more unpaid parking tickets.

3) Requires processing agencies to offer installment payment plans to indigent persons regardless of the total amount of parking tickets owed to the processing agency if they want to use DMV for collections purposes.

4) Removes the restriction on a person to file a request to participate in a payment plan in a period of 120 calendar days from the issuance of a notice of parking violation or 10 days after the administrative hearing determination and makes various changes related to this change that have to be posted on the processing agencies website if they want to use DMV for collections purposes.

5) Requires a processing agency to waive an unpaid parking penalty, including a service fee or late fee, for a vehicle if the registered owner was in custody in a juvenile facility, county jail, or state prison when the penalty was pending if they want to use DMV for collections purposes.

6) Requires a processing agency to offer a payment plan option for persons other than indigent persons that does all of the following if they want to use DMV for collections purposes:

    a) Allows payment of an unpaid parking penalty and related service fees in monthly installments over a period of at least 12 months. There shall be no prepayment penalty for paying off the balance prior to the payment period expiring.

    b) Allows for automatic payments.

    c) Limits the processing fee to participate in the payment plan to twenty-five dollars ($25) or less.

d) Does not set a deadline following the issuance of a parking ticket for a person to file a request to participate in a payment plan.

7) Requires a processing agency to provide a courtesy warning notice to the registered vehicle owner 60 days prior to filing an itemization with DMV if they want to use DMV for collections purposes.

COMMENTS

This bill attempts to remedy the financial harms that may come from an inability to pay by removing the authority to tow a vehicle for unpaid parking and traffic tickets, removing the authority to immobilize a vehicle for having unpaid parking tickets, restricting processing agencies from using DMV for collections purposes until the vehicle has accumulated six or more parking tickets**,** and making it easier for all persons (including indigent persons) to enroll in payment plans for parking tickets.

Under current law, local agencies can use DMV to collect unpaid debt on parking tickets, by requiring full payment of unpaid parking tickets and related fees in order for a person to renew their vehicle's registration. After six months, a vehicle can be towed for an expired registration. For indigent individuals, fees accumulating on top of one another can create a cycle of debt where they are unable to pay back parking fines, and then receive additional fines for driving an unregistered vehicle and an increased vehicle registration fee for late payments.

The cost of late payment of a parking ticket could easily spiral out of control for an indigent person. In San Francisco, the parking ticket for overstaying in a residential zone is $102 and the fine for failing to move your car during street cleaning is $90. If someone is unable to pay that ticket on time, the late fee adds an additional $53. If San Francisco 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 and late fees alone add up to $540. This would amount to over a third of a single individual's monthly income if they made the maximum amount of money to be eligible for Medi-Cal.

Recovering a vehicle after it has been towed is expensive. *Towed into Debt* 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. If a vehicle was towed for having five or more unpaid parking violations or for vehicle registration purposes, the individual must also pay the unpaid parking debt and vehicle registration before they can retrieve their vehicle.

According to *Towed into Debt*, the average lien sale of a vehicle towed for parking tickets or registration is $797.17, more than $400 less than the cost recovery of a vehicle stowed for only three days, and $2,400 less than the fees owed at the time of the sale. The average sale of these cars results in no revenue for the local authority who authorized the tow to begin with.

Cities use parking tickets to manage congestion. The parking meter was invented in 1935 in Oklahoma City. According to the Encyclopedia of Oklahoma History and Culture, "

The problem was that people worked downtown occupied all of the parking spots every day, forcing retail customers to park far away from stores. The city had placed time limits on parking, with enforcement performed by traffic policy who chalked tires, marked time, and gave tickets on hourly rounds. The parking situation came under scrutiny by the Oklahoma City of Chamber of Commerce in 1932. Appointed chair of the Traffic Committee, Magee assumed the task of solving the problem. Magee decided that the situation required the invention of a small, windable, inexpensively made, mechanical device to "time" the use of each parking space….on July 16, 1935, 175 meters were installed and tested on fourteen blocks in Oklahoma City, and when the system proved successful, the city placed meters all over downtown.

The impact of the parking meter was threefold. First, it straightened out Oklahoma City's parking problem. Second, it brought revenue into the city coffers through meter money and parking fines. Third, it stimulated a huge growth in assessed valuation of downtown commercial property."

Cities use parking tickets today to reduce congestion in downtown areas, ensure local residents have a place to park, enable people to park near retail stores for a limited period of time, to prevent individuals from parking in spaces for emergency vehicles, keep open spots for people with disabilities, and ensure that non electric vehicles are not parking in spots meant for electric vehicles to charge. Under this bill, agencies will be left with few effective mechanisms to bolster compliance with posted parking rules.

The problem with free parking: Most parking in the United States is free. In order to accommodate car use, cities have dedicated exorbitant amounts of land to cars. The County of Los Angeles has dedicated around 200 square miles to parking, the land mass of Brooklyn, Manhattan, San Francisco, and the Bronx combined (home to 6.5 million people).

University of California Los Angeles urban planner Donald Shoup in his book *The High Cost of Free Parking* describes parking as "desirable in most locations, but you can have too much of a good thing. The principle that 'the dose makes the poison' applies perfectly to parking. By prescribing massive overdoses of parking spaces, planners are poisoning the city. Planning for parking has caused severe adverse reactions, and if a policy is judges by its consequences, off-street parking requirements are a catastrophe….The many significant costs related to current parking policies (e.g., increased housing prices, unjust subsidies for cars, distorted transportation choices, sprawl, social inequity, and economic and environmental degradation) are not a consideration."

According to the Author
"California has been a national leader in ending policies that disproportionately punish people experiencing poverty, recognizing that these laws do not make individuals more likely to pay but instead trap them in debt and create barriers to financial stability. Vehicle tows and immobilizations result in snowballing consequences that threaten people's stability and well-being, as well as undermine our state's economic equity goals. AB 1082 will help cities actually collect unpaid ticket fees and allow California to continue leading the way in ending poverty tows so that working families can continue to drive to work, pay their rent and bills, and provide for their families."

Arguments in Support
According to Western Center on Law and Poverty, a co-sponsor of this bill, "The impact of excessive debt, license suspensions, towing, and DMV registration holds has had a devastating financial impact on low-income communities. These collective policies have stripped billions of

dollars in resources from our poorest families leading to the loss of their vehicle, their ability to get to work, and their ability to meet their basic needs like grocery shopping, taking children to school, or going to medical appointments. It has also left a trail of debt for those unable to pay the fines and fees, with approximately $8 billion owed to courts for unpaid traffic tickets."

Arguments in Opposition
The California Mobility and Parking Association argues "As a parking professional, I have deep concerns that this legislation will have the unintended consequence of neutralizing parking enforcement efforts. 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. Many agencies have conducted extensive research to determine appropriate permitted parking spaces for residential areas to ensure available parking for residents, as well as time-limited parking in business and high turnover zones to assist tourism and commerce to generate sales tax revenue for our schools, public safety, and other universal municipal services. Local governments also adopt and enforce parking rules related to street sweeping, tree trimming, sidewalk repair and public transportation zones.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, "The DMV reports it would need to reprogram its IT systems to ensure customers are billed correctly and registration renewal is withheld for payment appropriately. DMV describes this work as requiring "complex programming of its core legacy systems."

DMV is comprehensively updating its IT systems, an undertaking DMV calls the "Enterprise Modernization Project – the Digital eXperience Project (DXP)." DMV expects DXP to last through fiscal year 2025-26. DMV warns that, were it required to implement this bill by January 1, 2024, outside of DXP, DMV need to build a temporary solution outside of its core legacy systems, programming "will be costly."

DMV estimates the costs to both program outside the DXP effort and to reprogram DMV's core legacy systems may range from the "low to multiple millions of dollars" (Motor Vehicle Account (MVA)).

The author might reduce some of DMV's cost by delaying the effective date of the bill beyond completion of DXP, that is, until after fiscal year 2025-26.

In addition, DMV anticipates revenue loss of some amount, as the processing authorities currently remit $4 for every violation reported to DMV. DMV reports processing authorities report approximately 1.8 million parking tickets to DMV annually. If this bill reduces by 10% the number of reports processing authorities send to DMV, the annual revenue loss to the MVA would be $720,000. DMV acknowledges the bill may also result in administrative cost savings, to the extent fewer vehicle renewals are withheld for failure to pay parking tickets.

VOTES

ASM TRANSPORTATION: 11-2-2
YES: Friedman, Berman, Juan Carrillo, Gipson, Hart, Jackson, Kalra, Lowenthal, Stephanie Nguyen, Ward, Wicks

NO: Davies, Sanchez
ABS, ABST OR NV: Vince Fong, Wallis

ASM APPROPRIATIONS: 11-4-1
YES: Holden, Bryan, Calderon, Wendy Carrillo, Mike Fong, Hart, Lowenthal, Papan, Pellerin, Weber, Ortega
NO: Megan Dahle, Dixon, Mathis, Sanchez
ABS, ABST OR NV: Robert Rivas

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