

Date of Hearing: April 17, 2017

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 503 (Lackey) – As Amended April 4, 2017

SUBJECT: Vehicles: parking violations: registration renewal

SUMMARY: Creates a process that allows individuals with outstanding parking citations to repay their fines and penalties while preserving their ability to register and drive their vehicles. Specifically, **this bill:**

- 1) Makes findings and declarations regarding removing barriers that prevent Californians from registering their vehicles.
- 2) Defines an "indigent" person as someone having a net income at or below 250% of the federal poverty level based on family size; receiving benefits or services under the California Work Opportunity and Responsibility to Kids (CalWORKs), Medi-Cal, or CalFresh program; or who is determined to have an inability to pay parking penalties or fees without using moneys that normally would pay for basic necessities for his or her family.
- 3) Repeals provisions authorizing the Franchise Tax Board to collect delinquent parking penalties and administrative fees.
- 4) Repeals provisions requiring the Department of Motor Vehicles (DMV) to refuse to issue a driver's license to an individual if an itemization of unpaid parking citations has been sent to DMV by a local jurisdiction.
- 5) Requires DMV to allow a vehicle owner to register their vehicle as non-operational if parking fines are owed, regardless of whether or not the owner is participating in an active payment plan.
- 6) Requires DMV to waive or reduce registration penalties and fees imposed on indigent drivers who were not able to register their vehicles between January 1, 2015, and December 31, 2017, due to unpaid parking penalties and fees.
- 7) Specifies that a local agency may only notify DVM of unpaid parking citations and fees after they have completed the following:
 - a) Provided a payment plan option for indigent persons that allows payment of unpaid parking penalties to be paid off in monthly installments over no less than a 12 month period, creates a sliding scale to reduce the amount to be paid by indigent persons, and limits processing fees to participate in a payment plan to \$5 or less;
 - b) The processing agency informs the registered owner of the parking violation that he or she has an option to enroll in a payment plan or that he or she is not eligible because he or she is not indigent; and,
 - c) The registered owner or lessee fails to enroll in the payment plan within the time specified in the notice or is not eligible for the payment plan because he or she is not indigent.

- 8) Requires a local agency to allow a vehicle owner who falls out of compliance with the payment plan a reasonable opportunity to resume payments before the agency notifies DMV of unpaid parking penalties and fees.
- 9) Prohibits courts from using wage garnishment to collect unpaid penalties and fines when a civil judgement is issued for collection.

EXISTING LAW:

- 1) Authorizes local jurisdictions to file an itemized list of unpaid parking penalties and fees with DMV so that DMV can collect the unpaid fines when the owner registers or renews the vehicle's registration, after the local jurisdiction has completed specified collection efforts.
- 2) Requires DMV, after being notified of unpaid parking penalties and fees, refuse to register or renew the vehicle's registration or issue a driver's license to the individual until outstanding citations are paid.
- 3) Authorizes DMV to collect payments for the citations and return the monies, minus DMV administrative fees, to the local jurisdiction who filed the itemized list of unpaid penalties.
- 4) Provides a process by which parking citations can be contested to the issuing agency, which includes a request for an initial review of the citation by the issuing agency followed by an administrative hearing.
- 5) Requires the person requesting an administrative hearing for a parking citation to deposit the amount of the penalty with the processing agency unless the person is able to satisfactorily demonstrate inability to pay in which case the administrative hearing may proceed without prepayment.
- 6) Authorizes the court, when issuing a civil judgement to collect unpaid penalties and fees, to execute a levy against the person's assets, place liens against his or her property, garnish wages, or take other steps necessary to satisfy the judgement.

FISCAL EFFECT: Unknown

COMMENTS: The author points out that there is a need to create a fair and efficient process that allows low-income individuals to pay their outstanding parking citations without impacting their ability to maintain their livelihood. He notes that the current process that allows local jurisdictions to forward outstanding citations to DMV for collection, which then requires DMV to withhold issuing the individual's driver's license or withhold registering the vehicle until the outstanding citations are paid, is punitive because these individuals often do not have the means to pay the outstanding debt in one lump sum. The author notes that this system also penalizes individuals who are unable to pay by revoking their driving privilege and denying them the ability to legally operate their vehicle, which can result in job loss that further impairs their ability to pay off the debts. To address this issue, the author introduced this bill that would create a system whereby individuals are offered a variety of options that allow for debt reduction and payment plans.

This bill would require local jurisdictions to work through a series of steps that will help to scale-down the amount owed by offering a "sliding scale" and then provide a payment plan system

where qualifying individuals can to pay off their parking debt before the local jurisdiction is authorized to notify DMV for collection. By offering these options, individuals will have the opportunity to repay their debts directly to the local jurisdiction who issued the citation while being able to maintain their driving privilege and the ability to legally register their vehicles. This will help ensure they continue to have the primary means to earning an income, maintaining their household, and the ability pay off their debts. The bill also places the first-line responsibility of collecting the debt on the jurisdiction that issued the citation.

Writing in support of this bill, the Western Center on Law and Poverty describes the many problems that arise when individuals cannot pay their parking citations. They note that many people have had their license suspended for not paying parking tickets because they are too poor to pay the fines, fees, and assessments imposed by the courts. They also note that by refusing to register a person's vehicle, the individual can be forced to drive an unregistered vehicle or face losing their job and, therefore, their livelihood. When these individuals are then caught driving an unregistered vehicle, they face additional costs and legal difficulties.

Writing in opposition to this bill, the California Public Parking Association (CPPA) writes that this bill offers special treatment to drivers who have ignored or neglected their outstanding parking tickets to the point that DMV has withheld their registration. They also note that the bill rewards drivers who have opted to ignore their payments by offering them a "sliding scale" and payment plans. While CPPA takes issue with the option for a sliding scale and payment plans, they write that they would support the option to pay the required fines, penalties, and registration on a monthly plan at the state, rather than on a local level and that the plan should be available to all drivers, regardless of income.

Committee comments: Under current law, all parking infractions are civil offenses. Local governments establish schedules of civil parking penalties (*i.e.*, fines) and adjudicate and enforce these offenses through civil administrative procedures. If a vehicle owner does not pay a parking citation, the local jurisdiction that issued the fine sends out notices to the individual requesting payment. If the citations remain unpaid, fees and penalties are added. After attempting collection, if the citations remain unpaid, the local jurisdiction can notify DMV about unpaid parking penalties and fees.

Once DMV is notified of unpaid citations and fees, they are required to withhold vehicle registration, vehicle registration renewal or a driver's license until the citations and penalties are paid in full. The monies collected by DMV are then returned to the local jurisdiction, with a portion withheld to recover DMV's associated costs. While this system was set up to ensure that individuals are not allowed to neglect payment and amass fines without repercussion, the process has resulted in a substantial burden for individuals who have amassed debt because of their inability to pay.

Previous legislation: AB 1151 (Santiago), Chapter 112, Statutes of 2015, authorized local governments to allow a person to pay parking citations in installments at any stage of the administrative hearing process.

AB 443 (Lowenthal), Chapter 101, Statutes of 2013, prohibited DMV from transferring ownership on a vehicle for which a processing agency filed an itemization of outstanding parking or toll evasion penalties until the penalties are paid.

AB 2401 (Karnette), Chapter 741, Statutes of 2008, provided that the new owner of a vehicle is not responsible for parking citations issued prior to when that person acquired ownership of the vehicle.

REGISTERED SUPPORT / OPPOSITION:

Support

American Civil Liberties Union of California
National Association of Social Workers, California Chapter
Safer Streets LA
Western Center on Law and Poverty

Opposition

California Public Parking Association

Analysis Prepared by: Victoria Alvarez / TRANS. /