

Date of Hearing: July 1, 2024

ASSEMBLY COMMITTEE ON TRANSPORTATION
Lori D. Wilson, Chair
SB 532 (Wiener) – As Amended June 25, 2024

SENATE VOTE: Not relevant

SUBJECT: Parking payment zones

SUMMARY: Authorizes the City and County of San Francisco to require payment of parking fees with a mobile device under specified conditions until January 1, 2035. Specifically, **this bill:**

- 1) Until January 1, 2035, allows a local authority in the City and County of San Francisco to require payment of a parking meter fee by a mobile device only if both:
 - a) Signs are installed no more than 100 feet from any space where payment is required that clearly state that payment is required and how payments may be made; and,
 - b) An accessible and equitable parking cash payment plan that does not utilize parking meters or payment centers in parking payment zones is adopted:
 - i) Requires the plan to provide reasonably accessible alternative means for payment of parking fees using cash.
 - ii) Requires the cash payment plan to assess the feasibility of potential strategies, including, but not limited to, accepting cash payment for parking from a mailed invoice requested through the mobile payment system.
 - iii) Requires San Francisco to consult and work collaborative with relevant local stakeholder organizations that may include, but are not limited to, racial equity, privacy protection, and economic justice groups, in developing the accessible and equitable parking cash payment plan.
- 2) Requires San Francisco to submit an evaluation report of the plan's impact on equity, accessibility, and costs. The report is required to evaluate its effectiveness, impact on privacy, impact on equity, impact on traffic outcomes, cost to implement, change in citations issued, and generation of revenue.

EXISTING LAW:

- 1) Authorizes a local authority to establish parking payment zones or fix the rate of parking fees by ordinance. (Vehicle Code (VEH) 22508)
- 2) Authorizes a local authority to accept, but not require, payment of parking meeter fees by a mobile device. (VEH 22508)
- 3) Provides that an ordinance establishing a parking meeter zone is subject to a local referendum process. (VEH 22508).

FISCAL EFFECT: Unknown

COMMENTS: In 2012, the Legislature passed SB 1388 (Desaulnier), Chapter 70, which authorized local authorities to use, but not require, mobile payments for parking.

According to the author, "SB 532 authorizes—but does not require—local agencies to implement meterless parking payment zones while requiring cities that choose to do so to expand equitable cash payment options. Current law effectively requires cities to spend precious resources purchasing, installing, and maintaining outdated and expensive parking meter equipment for paid parking zones. In some cities, parking meters use up tens of millions of dollars that could otherwise be used to fund essential services like roadway maintenance and transit service. On top of this, meters are often vandalized and block precious sidewalk space. It is past time to allow cities to implement other, more effective ways to collect parking payments while helping them continue maintaining essential services."

Parking meters are expensive. According to the San Francisco Municipal Transportation Agency (SFMTA), the cost of meter installation and maintenance has reached \$20 million a year (\$7 million of which is operations and maintenance costs). Collecting cash payments has also been expensive for the city. From 2019 to 2023, the city collected \$28.5 million in cash payments, while spending \$17 million to collect the cash payments over the same time period. Over time, the disparity between cash collected and the costs of collecting cash has worsened. In 2023, the city collected nearly \$4.4 million in cash payments for meters, while spending \$3.45 million to collect that cash.

The high cost of 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, which is equivalent to 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 judged 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."

Shoup proposes "market-priced curb parking [to] save time, reduce congestion, conserve energy, improve air quality, and produce public revenue [and] returning all meter revenue to the neighborhoods that generate it."

Equity concerns. According to "The Cost of Financial Exclusion: Understanding the Impact of the Unbanked in California," 7% of Californians (2.9 million people) are unbanked, lacking access to traditional banking services. Disparities are pronounced among people of color, with 20% of Black and 15% of Latino Californians categorized as unbanked. Cash payments for parking in San Francisco account for 9% of their total parking revenue.

Smartphone access has grown over the years but is not universal. According to a Pew Research Center survey, 97% of Americans own a cell phone, with nine in ten owning a smartphone. Older Americans are far less likely to own a smartphone, with only 76% of those over 65 owning one.

As of July 1, 2024 a parking ticket in San Francisco for failure to pay at a meter is \$99 outside of the downtown core and \$108 within the downtown core. Late fees can add an additional \$132 to the ticket. Without an easy to use cash payment system in place, drivers who are unbanked, lack a cell phone, or simply miss the sign 100 feet away requiring mobile parking may end up with costly parking tickets.

Committee Concerns: A 10 year pilot is too long. Most pilot programs are five years (See AB 1778 (Connolly) of 2024, AB 2234 (Boerner) of 2024, AB 361 (Ward, Chapter 432, Statutes of 2023), AB 645 (Friedman) Chapter 808, Statutes of 2023).

Therefore, the committee recommends shortening the length of the pilot to five years and requiring a report back to the Legislature on year four of the pilot so the Legislature can properly evaluate extending, modifying or expanding the pilot.

The high costs of San Francisco parking tickets, coupled with the lack of a clear path forward for cash payments for parking and the novelty of mobile payment only also warrant a reduction in the potential financial harms that may come with a parking ticket during the pilot period. Therefore, the Committee suggests amending this bill to cap parking tickets for meter-less parking zones to be half the cost of a parking ticket for areas with meters. Even with a 50% reduction in tickets, parking tickets in San Francisco would still be more than a parking ticket in the City of Sacramento.

This bill is double referred to Assembly Privacy and Consumer Protection Committee and will be heard the next day. Because of the double referral, amendments would have to be taken in the next committee.

Related legislation: SB 1487 (Glazer) of 2024 prohibits a late payment penalty for a parking violation from exceeding 30% of the original penalty and would extend the time to pay a parking violation before additional penalties accrue.

SB 1388 (Desaulnier) Chapter 70, Statutes of 2012 authorized local authorities to use, but not require, mobile payments for parking.

REGISTERED SUPPORT / OPPOSITION:

Support

California Mobility and Parking Association
City of San Jose
Open Mobility Foundation
San Francisco Municipal Transportation Agency (SFMTA)
Spur

Opposition

None on file

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