

Date of Hearing: April 2, 2018

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 2544 (Lackey) – As Introduced February 15, 2018

SUBJECT: Parking violations

SUMMARY: Clarifies existing law by requiring processing agencies, beginning on July 1, 2018, to provide a payment plan and waiver of late fees to indigent persons before they are able to send an itemization of unpaid parking penalties to the Department of Motor Vehicles (DMV) regardless of whether the tickets were issued before or after July 1, 2018.

EXISTING LAW:

- 1) Provides several options to processing agencies collecting unpaid parking penalties for tickets given after July 1, 2018, 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 \$300 or less, in a period within 18 months. No prepayment penalty for paying off the balance prior to the payment period may be accessed.
 - 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.
 - d) Allows the application for indigency determination for a period of 60 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.

FISCAL EFFECT: Unknown

COMMENTS:

- 1) *Cycle of debt:* The costs 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 up 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 poor 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, before the passage of AB 503 (Lackey), Chapter 741, Statutes of 2017, DMV could add the entire cost of the ticket to vehicle registration fees. If someone were unable to pay the \$104 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 nearly 1/4 of a single individual's monthly income if they made the maximum amount of money to be eligible for SNAP benefits.

- 2) *Steps Taken:* Unpaid traffic fines have been adding up. According to the LAO, the state now has over \$10 billion in unpaid court ordered debt. The Legislature and Governor have made several efforts to collect unpaid debt and to address the negative consequences of unpaid fines. In last year's budget, the state removed the courts authority to notify DMV for the suspension of individuals driver's licenses for unpaid traffic fines.

The Governor also signed AB 503, which requires processing agencies to take several steps prior to asking DMV to collect their unpaid debt from indigent individuals, including establishing a payment program and waiving late fees and penalty assessments. Instead of the scenario discussed above, an indigent person would be given the opportunity to pay off the parking ticket in a maximum of \$25 dollar monthly payments, have the additional late fee waived, and avoid being placed in a position where they may be unable to pay back their vehicle registration fees on time. This approach provides a balance between recognizing that the fines still need to exist to enforce parking laws, while still providing a more reasonable payment plan for those who cannot afford to pay the tickets all at once.

- 3) *Change in law, or clarification?* AB 503's provisions state that after July 1, 2018, processing agencies have to offer the payment and waiver plan for indigent individuals

before they can put in a request to DMV to collect the unpaid fees. While it appears clear for the law as written that after July 1, 2018, a processing agency has to comply with this code section before they can submit an itemization to DMV regardless of when the ticket was issued, this bill makes it unequivocal that this is the case.

Related legislation: AB 2260 (Ting) would authorize a five year traffic amnesty program, by December 1, 2024, for delinquent debt. AB 2260 is scheduled to be heard by this committee on April 9, 2018.

SB 185 (Hertzberg) would requires a court to determine a defendant's ability to pay traffic violations and make specified accommodations if it determines the defendant to be indigent. SB 185 is awaiting a hearing in the Assembly Appropriations Committee.

Prior legislation: AB 503 (Lackey), Chapter 741, Statutes of 2017, requires processing agencies to take several steps prior to asking DMV to collect their unpaid debt from indigent individuals, including establishing a payment program and waiving late fees and penalty assessments

SB 85 (Committee on Budget and Fiscal Review), Chapter 26, Statutes of 2015, authorizes an 18-month traffic amnesty program, by October 1, 2015, for delinquent debt. This program expired on March 31, 2017.

REGISTERED SUPPORT / OPPOSITION:

Support

Western Center on Law and Poverty (Sponsor)
American Civil Liberties Union of California Center for Advocacy and Policy
Safer Streets L. A.

Opposition

City of Sacramento

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