

Date of Hearing: April 25, 2022

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

AB 2775 (Quirk-Silva) – As Amended April 18, 2022

**SUBJECT:** Automobiles and recreational vehicles: registration fees

**SUMMARY:** Specifies that a person who verifies they are homeless with the Department of Motor Vehicles (DMV) does not have to pay vehicle registration fees on an automobile or a recreational vehicle (RV). Specifically, **this bill:**

- 1) Defines “automobile” to mean a self-propelled motor vehicle, with neither more than nor less than four wheels, designed for use principally upon streets and highways.
- 2) Defines recreational vehicle as a motor home, travel trailer, truck camper, or camping trailer, with or without motive power, designed for human habitation for recreational, emergency, or other occupancy that meets specified requirements.
- 3) Defines “homeless person” the same as a homeless person under the federal McKinney-Vento Homeless Assistance Act, which includes the following:
  - a) An individual or family who lacks a fixed, regular, and adequate nighttime residence.
  - b) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; and,
  - c) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing.
- 4) Provides that a homeless service provider that has knowledge of the person’s housing status may verify the person’s status as homeless.
- 5) Defines a homeless service provider to include a governmental or nonprofit agency receiving government funding to provide homeless services, a public social services provider, a law enforcement officer with certain designations, or any other homeless services provider the DMV determines to have eligibility.

**EXISTING LAW:**

- 1) Waives the identification card (ID card) fee for unhoused persons.
- 2) Prohibits a person from driving, moving, or leaving a vehicle or trailer on a highway or in an off-street parking facility unless it is registered with DMV.
- 3) Requires that a registration fee of \$43 be paid to the DMV for an initial vehicle registration or registration renewal.

- 4) Adds an additional \$3 to the above fee to be deposited in the Alternative and Renewable Fuel and Vehicle Technology Fund and the Enhanced Fleet Modernization Subaccount.
- 5) Adds an additional \$25-\$175 Transportation Improvement Fee based on the value of the vehicle.
- 6) Adds an additional \$100 fee for zero emission vehicles 2020 model year or later.
- 7) Requires an additional registration fee, adjusted annually based on the California Consumer Price Index (CPI), be paid to DMV on behalf of the Department of the California Highway Patrol (CHP) at the time of vehicle registration or renewal.
- 8) Authorizes the collection of certain other fees and surcharges at the time of vehicle registration or renewal to support a variety of state and local programs.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

In 2020, California estimated at least 161,548 people were experiencing homelessness on any given day in the State. The Los Angeles Homeless Services Authority estimates that in 2019, at least 44,214 persons in Los Angeles County alone were experiencing homelessness. Of those, 16,528 of those individuals were living in a car, van, or RV.

According to the author, “Our state is facing a severe housing crisis that cannot be solved overnight. People are living on the streets without abode or living in their recreational vehicles, cars, and boats- operational or not, so they can have some shelter from the summer heat or winter cold at night. My bill seeks to provide financial relief for verified homeless people that are using vehicles as their place of residence by exempting them from Department of Motor Vehicle registration fees as many options are needed to help the people facing the brunt of our housing crisis.”

Owners of vehicles in California are required to register their vehicles on an annual basis. As part of that registration, on average a person pays a base registration fee of \$64, a \$28 for the CHP fee, \$91 for the vehicle license fee and anywhere between \$25 and \$175 for a Transportation Improvement Fee based on the value of the vehicle.

Failure to pay those fees can have dire consequences for someone who is unhoused. Under existing law, a vehicle that has expired registration for more than six months can be towed.

*Towed into Debt: How Towing Practices in California Punish Poor People*, a 2019 report put together by various legal services organizations in California, highlighted the potential downstream effects if a vehicle is towed. 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 someone were unable to pay their vehicle registration fees on time, 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.

The vehicle registration fees, late fees, ticket for driving an unregistered vehicle, and the cost of a three day tow could easily cost well over \$1000. Which would nearly account the entirety of a person on public benefits monthly income to recover their only shelter.

According to *Towed into Debt*, vehicles towed for unpaid registration or unpaid parking tickets are two to six times more likely to be sold at a lien sale than the average towed cars. 50% of the vehicles towed in San Francisco for unpaid parking tickets and 57% of the vehicles towed for lapsed registration were sold by the tow companies, compared to only 9% of other vehicles that were towed for other reasons.

*Committee comments:* The Motor Vehicle Account (MVA), the primary funding source for DMV, remains structurally imbalanced. Although the MVA is projected to have a positive fund balance through the next five fiscal years, in 2023-24, 2024-25, 2025-26, and 2027-27, expenditures are anticipated to outpace revenues, reducing the fund balance from \$693 million in 2022-23 to \$120 million in 2026-27. The structural imbalance remains even though all future DMV and CHP capital outlay costs are being shifted away from the MVA to the General Fund in an attempt to keep the fund solvent.

*Related legislation:*

AB 1685 (Bryan) of this session requires processing agencies to forgive at least \$1,500 in parking tickets for individuals who are verified to be homeless. That bill is pending before Assembly Housing and Community Development Committee.

AB 2510 (Bennett) of this session waives the driver's license renewal fee for a person experiencing homelessness. That bill is pending a hearing in this committee.

*Previous legislation:*

AB 302 (Berman) of 2019 would have required a community college campus that has parking facilities on campus to grant overnight access to those facilities, on or before July 1, 2020, to any homeless student who is enrolled in coursework, has paid any enrollment fees that have not been waived, and is in good standing with the community college for the purpose of sleeping in the student's vehicle overnight. Died on the Senate Floor.

AB 516 (Chiu) of 2019 would have repealed existing law that authorizes peace officers to tow vehicles for having five or more delinquent parking or traffic violations, for leaving a vehicle on a road for 72 or more consecutive hours, and for a having a lapsed vehicle registration in excess of six months. Died in Senate Appropriations Committee.

AB 891 (Burke) of 2019 would have required cities with more than 330,000 people to have a safe parking program, as defined. That bill was vetoed by the Governor.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on file

**Opposition**

None on file

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