

Date of Hearing: June 2, 2020

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Lorena Gonzalez, Chair
AB 3277 (Jones-Sawyer) – As Introduced February 21, 2020

Policy Committee: Transportation

Vote: 15 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill expands the parameters according to which a processing agency—such as a local parking authority—must offer a parking penalty payment plan to an indigent person.

Specifically, this bill makes the following changes to existing law, which requires a processing agency to provide an indigent individual the opportunity to set up a payment plan to pay past-due parking penalties before the processing agency may use the Department of Motor Vehicles (DMV) to collect the individual's unpaid parking penalties:

- 1) Increases, from \$300 to \$750, the amount of parking penalty debt (PPD) for which a processing agency must offer a payment plan to an indigent person, as defined.
- 2) Lengthens, from 18 months to 30 months, the duration of the PPD payment plan the processing agency must offer an indigent person.
- 3) Lengthens, from 60 calendar days from the issuance of a parking violation to 120 calendar days from the issuance of a parking violation, the time an individual may request a PPD payment plan from a processing agency.
- 4) Requires a processing agency to place in a prominent place on its website the notification of the availability of a PPD payment plan the agency is required by existing law to post.

FISCAL EFFECT:

State costs of an unknown, but likely minor amount.

As this committee's analysis of the bill that established the obligation of a processing agency to offer a PPD payment plan to an indigent individual, both the obligation to offer a PPD payment plan and the restriction on a processing agency's ability to use DMV for PPD collection could change the amount of parking citation revenue that is collected by local agencies. A portion of that citation revenue is transferred to the state coffers, mainly to support court operations.

However, the committee is unaware of a significant decrease in the state's PPD-related citation revenue resulting PPD payment plans. Therefore, this analysis concludes the effect of this bill on state revenue will be similarly minor.

COMMENTS:

Background and Purpose. Unpaid parking tickets can develop into significant financial hardship, especially for those with few resources. Parking tickets include many add-on fees, making even small infractions difficult to pay. Late payment often results in late fees. Many processing agencies use DMV to collect unpaid parking penalties, as the DMV could add the unpaid parking debt to the cost of vehicle registration. An individual who is unable to pay the vehicle registration would likely face DMV late fees. If the individual continues to drive the vehicle, unregistered, they may face further penalty and even vehicle impoundment.

In response, the Legislature approved AB 503 (Lackey), Chapter 741, Statutes of 2017. AB 503 prevents a processing agency from referring an indigent individual's PPD to DMV for collection until the agency has offered the individual the option of a payment plan for PPD up to \$300, payable in monthly installments of no more than \$25 over 18 months. This bill increases the amount of the PPD payment plan to \$750, extends the payment plan to 30 months and makes other changes to increase the ability of an indigent person to pay PPD.

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