
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2019 - 2020 Regular Session

AB 3277 (Jones-Sawyer) - Parking penalties: collection

Version: June 29, 2020

Urgency: No

Hearing Date: August 13, 2020

Policy Vote: TRANS. 14 - 0

Mandate: No

Consultant: Mark McKenzie

Bill Summary: AB 3277 would revise the criteria under which an indigent person may enter into a payment plan agreement for unpaid parking tickets. Specifically, the bill would expand eligibility to include unpaid parking penalties of up to \$500, rather than up to \$300, extend the repayment period from 18 months to 24 months, and increase the timeframe for requesting a repayment plan from 60 days to 120 days.

Fiscal Impact: Increasing the cap on the amount of unpaid parking penalties and fees that may be included in a repayment plan, and extending the timeframe for filing a request to participate in a plan are likely to result in an increase in the number of participants, resulting in the following impacts:

- Unknown, likely minor reduction in state parking citation revenue related to the waiver of all late fees and penalty assessments on citations issued by state parking entities for indigent persons that enter into payment plans pursuant to the expanded criteria in this bill. Additional potential revenue reductions may also occur as a result of removing a collection tool through the Department of Motor Vehicles. Revenue reductions would be mitigated partially by some revenue gains for payments on debt that may not have otherwise been paid. (State University Parking Revenue Fund, other funds administered by institutions of higher education)
- Unknown, likely minor reduction in local parking citation revenue related to the waiver of all late fees and penalty assessments on citations issued by local parking entities for indigent persons that enter into payment plans pursuant to the expanded criteria in this bill. Additional potential revenue reductions may also occur as a result of removing a collection tool through the Department of Motor Vehicles. Revenue reductions would be mitigated partially by some revenue gains for payments on debt that may not have otherwise been paid. (local funds)

Background: Existing law authorizes an agency that processes notices of parking violations and delinquent parking violations, after completing specified collection efforts, to file an itemized list of unpaid parking penalties and service fees with the Department of Motor Vehicles (DMV) for collection when a vehicle owner attempts to register his or her vehicle. Existing law requires DMV, after receiving an itemized list of a person's unpaid parking penalties and fees, to refuse to renew his or her vehicle registration, or to issue or renew a driver's license to that person until all outstanding penalties and fees are paid. After collecting payments for unpaid parking penalties and fees, DMV forwards the revenues to the local jurisdictions that filed the itemized list of unpaid tickets, after deducting its administrative costs.

Existing law prohibits a processing agency from referring an itemized list of unpaid parking penalties issued on or after July 1, 2018 to DMV to collect on delinquent amounts unless a payment plan option is provided for indigent persons. An indigent person is generally defined as having net income at or below 125 percent of the federal poverty level, or receiving benefits under specified public assistance programs. The payment plan must allow monthly installments of no more than \$25 for total amounts due that are \$300 or less, and a maximum repayment period of 18 months. A processing agency must allow a person a period of 60 days from the issuance of a parking ticket, or 10 days after an administrative hearing determination, whichever is later, to file a request to participate in a payment plan. A processing agency's website must include specified information on the availability of the option to apply for participation in a payment plan.

Proposed Law: AB 3277 would make the following changes to the program that provides the option for indigent persons to enter into repayment plans for unpaid parking penalties and related service fees:

- Increase the total amounts due that can be paid in monthly installments from \$300 or less to \$500 or less.
- Extend the timeframe in which penalties and fees must be repaid from 18 months to 24 months.
- Extend the timeframe in which a person must file a request to participate in a payment plan from 60 days to 120 days, as specified.
- Require a processing agency to ensure that the link to information on the payment plan is readily accessible in a prominent location on the parking citation payment section of the agency's website.

Related Legislation: AB 503 (Lackey), Chap. 741/2017, prohibited a processing agency, beginning on July 1, 2018, from referring unpaid parking tickets to the DMV for collection, unless the agency provides a payment plan option for indigent persons.

AB 2544 (Lackey), Chap. 494/2018, clarified the applicability of the payment plan option for indigent persons.

AB 833 (Lackey), Chap. 495/2019, clarified that late fees and penalty assessments on parking tickets, except specified state penalty assessments, are excluded from the \$300 cap on amounts owed for participation eligibility.

Staff Comments: This bill is likely to result in an increase in participation in unpaid parking ticket repayment programs, and a corresponding loss of revenue associated with the waiver of late fees and penalties tied to parking debt owed by indigent persons. However, the additional flexibility provided by the bill may also enhance the ability of some individuals to repay debts that would otherwise have gone unsatisfied, thereby partially mitigating revenue losses. The net impacts are not quantifiable, but staff estimates the annual loss of state revenues in a given year would be minor.