
THIRD READING

Bill No: AB 3277
Author: Jones-Sawyer (D)
Amended: 6/29/20 in Senate
Vote: 21

SENATE TRANSPORTATION COMMITTEE: 14-0, 8/4/20

AYES: Beall, Bates, Allen, Dahle, Dodd, Galgiani, Lena Gonzalez, McGuire,
Morrell, Roth, Rubio, Skinner, Umberg, Wieckowski

NO VOTE RECORDED: Melendez

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/20

AYES: Portantino, Bates, Bradford, Hill, Jones, Leyva, Wieckowski

ASSEMBLY FLOOR: 76-0, 6/8/20 (Consent) - See last page for vote

SUBJECT: Parking penalties: collection

SOURCE: Los Angeles Homeless Services Authority

DIGEST: This bill makes various eligibility and programmatic changes to the payment plan program administered by local agencies relative to parking citations.

ANALYSIS:

Existing law:

- 1) Provides several options to processing agencies collecting unpaid parking penalties for tickets, including filing an itemization of unpaid parking penalties and service fees with the Department of Motor Vehicles (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.

This bill:

- 1) Makes the following changes to the law requiring processing agencies to provide indigent individuals the opportunity to set up a payment plan to pay parking tickets before a processing agency can use DMV to collect unpaid parking debt:
 - a) Increases the \$300 maximum debt limit to \$500 for the total debt amount required a parking agency to offer a payment plan to an indigent person.

- b) Lengthens the payment plan to be available for a maximum of 24 months from 18 months.
- c) Lengthens the period of time an individual can request a payment plan from 60 calendar days from the issuance of a parking violation to 120 days from the issuance of a parking violation.
- d) Clarifies that the required website notification of the availability of a payment plan must be in a place that is readily accessible in a prominent location on parking payment section of the agency's website.

Comments

- 1) *Author's statement.* According to the author, "AB 3277 would update existing law to allow more individuals to access to payment plans. Granting additional flexibility reduces the financial impact of parking debt for more low-income individuals and gives individuals in financial distress greater lengths of time to enroll and pay off their debts. As cities and counties seek to find ways to help low-income individuals, including vehicle owners experiencing homelessness, AB 3277 makes relief more accessible to a population that is disproportionately struggling with housing and economic instability."
- 2) *Parking citations.* The cost of being late or being unable to pay a parking ticket on time can easily spiral out of control for an indigent person. An unpaid parking ticket can accrue multiple cycles of late fees. Local agencies are authorized to file unpaid tickets with the DMV, which can require payment in full for unpaid parking tickets when the vehicle owner renews their vehicle registration. However, if someone were unable to pay their parking tickets, then they are unlikely to be able to pay their vehicle registration, which means additional late fees and additional fines for driving an unregistered vehicle. In 2017, the Legislature passed and the Governor signed AB 503 (Lackey, Chapter 741, Statutes of 2017), to break this cycle of debt and require agencies to provide indigent people a payment plan for unpaid parking tickets that also waives late fees, prior to asking DMV to collect their unpaid parking debt, starting on July 1, 2018. In 2018, AB 2544 (Lackey, Chapter 494, Statutes of 2018) was enacted as follow up measure to clarify when local entities are to start implementing the payment plan options. The author of these bills subsequently introduced AB 833 (Lackey, Chapter 495, Statutes of 2019), which clarified that the \$300 maximum cap for which a parking agency had to offer a payment plan only applied to the base fines and not to late penalties.

The provisions specified in this bill aim expand the scope of the parking citation payment program voluntarily administered by local agencies in attempt to qualify a larger number of participants that may benefit from the program. The author rightfully points to the economic downturn associated with the current COVID-19 pandemic as one of the primary reasons to modify program eligibility criteria. As Californians continue to experience layoffs, reduced hours, and challenges finding employment, it's within reason to provide motorists experiencing hardships with options to satisfy their financial obligations to local agencies while still allowing these municipalities to enforce parking ordinances.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, 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)

SUPPORT: (Verified 8/18/20)

Los Angeles Homeless Services Authority (source)

AARP
Downtown Women's Center
National Association of Social Workers, California Chapter
North Valley Caring Services
Safe Parking LA

OPPOSITION: (Verified 8/18/20)

None received

ASSEMBLY FLOOR: 76-0, 6/8/20

AYES: Aguiar-Curry, Arambula, Bauer-Kahan, Berman, Bigelow, Bloom, Boerner Horvath, Bonta, Brough, Burke, Calderon, Carrillo, Cervantes, Chau, Chen, Chiu, Choi, Chu, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Diep, Eggman, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager, Kiley, Lackey, Levine, Limón, Maienschein, Mathis, Mayes, McCarty, Medina, Mullin, Nazarian, Obernolte, O'Donnell, Patterson, Petrie-Norris, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Voepel, Waldron, Weber, Wicks, Wood, Rendon

NO VOTE RECORDED: Low, Muratsuchi, Quirk

Prepared by: Manny Leon / TRANS. / (916) 651-4121
8/19/20 10:57:32

**** **END** ****