

CONCURRENCE IN SENATE AMENDMENTS

AB 3277 (Jones-Sawyer)

As Amended June 29, 2020

Majority vote

SUMMARY:

Makes various 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 the Department of Motor Vehicles (DMV) to collect unpaid parking debt.

Major Provisions

- 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 for 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.
- 2) Clarifies that the required website notification of the availability of a payment plan must be in a place that is readily accessible on the parking citation payment section of the agency's website.

The Senate Amendments:

- 1) Reduce the maximum debt limit from \$750 to \$500 for when a parking agency is required to offer a payment plan to an indigent person.
- 2) Shortens the payment plan payback option from 30 months to 24 months.

COMMENTS:

The Legislature passed AB 503 (Lackey), Chapter 741, Statutes of 2017, in order to stop the spiral of debt for an indigent person. However, processing agencies have been pushing back against implementing AB 503. Assembly Member Lackey had introduced two follow up bills as a result of processing agencies trying to get around implementing the law. AB 2544 (Lackey), Chapter 494, Statutes of 2018, clarified that parking agencies had to offer payment plans for tickets issued prior to July 1, 2018 because processing agencies refused to consider older tickets when implementing the law. AB 833 (Lackey), Chapter 495, Statutes of 2019, clarified that the \$300 maximum cap for which a parking agency had to offer a payment plan only applied to the base fines, not to late penalties, because the City of Sacramento was refusing to offer payment plans to individuals who had more than two tickets with a late fee.

This bill is attempting to address the fact that the \$300 cap for when a city has to offer an indigent individual a payment plan has different effect depending on the city are you in. In Sacramento, for example, a parking ticket is \$52 for parking in a residential zone. If a resident's parking pass expires without them realizing it and they rarely drive because they live in the downtown core, it's easily possible to go days of receiving parking tickets without realizing it. In Sacramento, a person would have to have more than five parking tickets to no longer be able to utilize the payment plan to pay their tickets. In San Francisco, parking at an expired meter or a residential zone is an \$87 ticket. While a Sacramento resident could get a payment plan for up to five tickets, someone in San Francisco can only get a payment plan after three tickets.

To remedy this situation, this bill proposes raising the \$300 cap to \$500 so indigent individuals in cities with expensive parking tickets can still be eligible for the payment plan. Further, indigent individuals will also be able to have their late fees waived up to \$500 worth of parking tickets. A late fee added to a \$110 ticket in San Francisco could result in a single ticket costing \$169. Late fees are a useful tool for helping ensure tickets are paid on time, but may make an already high fine excessive for low income individuals making less than \$1500 a month before taxes.

Several organizations, including ACLU and Western Center on Law and Poverty, removed their support for this bill after amendments were taken in the Senate to lower the threshold for when cities have to offer a payment plan from \$750 to \$500. These organizations are now neutral on the bill.

According to the Author:

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."

Arguments in Support:

According to Safe Parking LA, "Alternative ticketing plans offer low-income Californians flexible options for paying off parking fines and having late penalties removed once payments are covered. AB 3277 continues to enhance these repayment options by extending eligibility to motorists with higher levels of parking debt, extending the enrollment window, and lengthening the payback period to give people more time to make their payments."

Arguments in Opposition:

None on file

FISCAL COMMENTS:

According to Senate Appropriation 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:

- 1) 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)
- 2) 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)

VOTES:

ASM TRANSPORTATION: 15-0-0

YES: Frazier, Fong, Aguiar-Curry, Berman, Chu, Cunningham, Daly, Diep, Friedman, Gipson, Grayson, Kiley, Medina, Nazarian, O'Donnell

ASM APPROPRIATIONS: 18-0-0

YES: Gonzalez, Bigelow, Bauer-Kahan, Bloom, Bonta, Calderon, Carrillo, Chau, Megan Dahle, Diep, Eggman, Fong, Gabriel, Eduardo Garcia, Petrie-Norris, McCarty, Robert Rivas, Voepel

ASSEMBLY FLOOR: 76-0-3

YES: 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, O'Donnell, Obernolte, 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
ABS, ABST OR NV: Low, Muratsuchi, Quirk

SENATE FLOOR: 40-0-0

YES: Allen, Archuleta, Atkins, Bates, Beall, Borgeas, Bradford, Caballero, Chang, Dahle, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Grove, Hertzberg, Hill, Hueso, Hurtado, Jackson, Jones, Leyva, McGuire, Melendez, Mitchell, Monning, Moorlach, Morrell, Nielsen, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener, Wilk

UPDATED:

VERSION: June 29, 2020

CONSULTANT: David Sforza / TRANS. / (916) 319-2093

FN: 0003299