

Date of Hearing: April 21, 2025

ASSEMBLY COMMITTEE ON TRANSPORTATION

Lori D. Wilson, Chair

AB 1022 (Kalra) – As Introduced February 20, 2025

SUBJECT: Authority to remove vehicles

SUMMARY: Removes the authority for a peace officer to impound a vehicle or place a device designed to immobilize a vehicle for having five or more unpaid parking tickets or traffic violations starting January 1, 2026.

EXISTING LAW:

- 1) Authorizes a peace officer or regularly employed and salaried employee, who is engaged in directing traffic or enforcing parking laws and regulations, of a city, county, or jurisdiction of a state agency in which a vehicle is located, to remove a vehicle if it has five or more unpaid parking or traffic tickets. (Vehicle Code Section (VEH) 22651)
- 2) Places requirements on proof of payment in order to retrieve the vehicle if it was impounded for unpaid traffic or parking tickets and authorizes the lien sale of impounded vehicles should payments not be made in a specified time. (VEH 22651)
- 3) 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 California 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 \$500 or less, in a period within 24 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; and,
 - d) Allows the application for indigency determination for a period of 120 calendar days from the issuance of a notice of parking violation, or 10 days after the administrative hearing determination, whichever is later. (VEH 40220)
- 4) 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. (VEH 40220)

- 5) 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. (VEH 40220)
- 6) 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 (VEH 40220)

FISCAL EFFECT: Unknown

COMMENTS: California law authorizes the government to impound and eventually sell your vehicle for failing to pay parking tickets and traffic tickets. Unpaid parking and toll violations can be placed on a person’s vehicle registration, compounding a person’s potential inability to pay their vehicle registration, which may also result in their vehicle being impounded if the registration is not paid within six months.

This bill attempts to remedy the financial harms that may come from an inability to pay by removing a peace officer or public employee’s authority to tow a vehicle for unpaid parking and traffic tickets, removing the authority to immobilize a vehicle for having unpaid parking tickets or traffic violations.

This bill is aligned with a recent decision made by the *Coalition on Homelessness v. City and County of San Francisco*, 93 Cal.App.5th 928 (2023), which held that a parking agency would first have to obtain a warrant in order to tow a vehicle for unpaid parking tickets or traffic violations so long as the vehicle at the time of the towing was legally parked. This bill goes beyond the court ruling, however, as it would prohibit towing such vehicles even with a warrant.

According to the author, “AB 1022 will end “poverty tows”, an outdated practice that is harmful, costly, and unconstitutional. Not only has case law ruled these types of tows solely for unpaid parking tickets as a violation of the fourth amendment, but these tows disproportionately punish people experiencing poverty, trapping them in debt and creating barriers to financial stability. By prohibiting “poverty tows” for parking ticket debt collection, California can once again lead the way in helping working families continue to drive to work, pay their rent and bills, and provide for their families.”

The cost of fines and fees associated with traffic and parking citations has steadily increased over the last few decades. Traffic fees can add up to hundreds of dollars after taking into account add-on fees. Add-on fees for minor offenses double or quadruple the original fine, and until recently California suspended drivers’ licenses for failure to pay traffic fines.

Local agencies may use the DMV to collect unpaid parking ticket debt. DMV can require payment in full for unpaid parking tickets to for a person to renew their vehicle registration. For indigent individuals, these piling parking tickets have created a cycle of debt where they are unable to pay back parking fines, and then get additional penalties for driving an unregistered vehicle and an increased vehicle registration fee for late payments.

The cost of being late on payment of a parking ticket can spiral out of control for an indigent person. In the City of Los Angeles, the fine for a parking ticket for overstaying or failing to pay a meter amounts to \$63. If someone cannot pay that ticket on time, the late fee adds \$88. Los Angeles can then transfer the tickets to the DMV to collect the unpaid debt as a requirement to

pay vehicle registration fees. Vehicle registration late fees can increase by 60% of the original fees for payments over 30 days late, which may increase the registration fee by as much as \$100. If a person is stopped by law enforcement for having an unregistered vehicle, the fine for driving an unregistered vehicle is currently \$285. All totaled, these fines alone add up to \$536. This would amount to 1/3 of a single individual's monthly income if they made the maximum amount of money to be eligible for Medi-Cal.

In addition to unpaid debt, parking fees or late registration may result in a person's vehicle being towed by law enforcement. Having five or more unpaid parking tickets allows law enforcement to tow someone's vehicle or place a restrictive device on it. If the fines are moved to the DMV for collections and the individual cannot afford to pay their vehicle registration, law enforcement can tow the vehicle if the registration is more than six months past due.

Recovering a vehicle after it has been towed is expensive. *Towed into Debt: How Towing Practices in California Punish Poor People*, a report issued by the sponsors of this bill, 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 would be \$499. The cost of five unpaid parking tickets in Los Angeles would result in a total cost of \$520 with late penalties. The cost of a three-day tow in addition to the five unpaid parking tickets (\$1,254) would amount to all but \$200 of an indigent person's monthly income if they made the maximum amount to make them eligible for Medi-Cal.

Western Center on Law and Poverty, a co-sponsor of this bill, argues "California, the importance of a car to a person's daily life cannot be overstated. The loss of a car can have disastrous ramifications, such as jeopardizing a person's employment or taking away a means for safety. For many survivors of intimate partner violence, a loss of a car can put them and their family's safety at risk. When people lose their cars, they often lose their biggest personal asset, their ability to get to work, and their ability to meet their basic needs like grocery shopping, taking children to school, or going to medical appointments.

In short, vehicle tows result in snowballing consequences that threaten an individual's stability and wellbeing and undermine our state's economic equity goals. Poverty tows are not only costly for families but costly for local governments as well. Often, cities do not get to collect the unpaid ticket fees since most low-income drivers' cars are sold at lien sales, with the tow yard keeping the proceeds. Towing cars based on outstanding parking debt is counterproductive and is a policy that punishes people because of their poverty."

The Legislature passed AB 503 (Lackey), Chapter 741, Statutes of 2017 to stem the spiral of debt for an indigent person. Assemblymember Lackey 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 before 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 provide payment plans for individuals who had more than two tickets with a late fee. In 2020, the Legislature passed AB 3277 (Jones-Sawyer), Chapter 55, which increased the maximum cap from \$300 to \$500. This bill would require parking agencies to offer the payment plan at any time, not just within the first 120 days of receiving the parking ticket.

Most cities in the United States are designed around having a vehicle and public transit is often inadequate, resulting in people needing cars to get to work, home, and school. As *Towed into Debt* highlights, owning a vehicle is identified as the second biggest barrier to employment, behind reliable child care; owning a vehicle plays a bigger role in getting a job than having a high school diploma, and people with a car are almost twice as likely to remain employed over a full 18 to 24 months period than workers without a car. Therefore, towing someone's car can have a detrimental effect if they are unable to recover it, such as the loss of their job. It is estimated that one-third of the estimated 39,000 homeless individuals in Los Angeles live in vehicles. For these individuals, towing their car could result in a loss of their only shelter.

According to the point-in-time estimates of homeless from the 2023 Annual Homelessness Assessment Report to Congress, there are an estimated 180,000 people that were experiencing homelessness in California, up 6% from the previous count.

According to the University of California, Los Angeles (UCLA) report *Who Lives in Vehicles and Why? Understanding Vehicular Homelessness in Los Angeles* in 2020, almost 60% of the city's unhoused population lived in their vehicle. According to that report, "Compared to non-vehicular respondents, people living in vehicles identified as female, White, and older at higher rates. The vehicular unhoused were also more likely to be in households with children. People living in vehicles reported higher employment rates and were more likely to be actively looking for work."

According to the UCLA report, while women make up 30% of the unhoused population, they make up 46% of those living in a vehicle. While only 5% of the unhoused population were living with children, 18% of those living in a vehicle were living with children. A higher percentage of unhoused persons living in vehicles were unhoused because of domestic violence (10.7%) while 31% of those living in their vehicles reported suffering from domestic violence.

Cities use parking tickets to manage congestion. Cities use parking tickets to reduce congestion in central business areas, ensure local residents have a place to park, enable people to park near retail stores for a limited period of time, to prevent individuals from parking in spaces for emergency vehicles, keep open spots for people with disabilities, and ensure that non electric vehicles are not parking in spots meant for electric vehicles to charge.

Under AB 1022, agencies will be left with few effective mechanisms to bolster compliance with posted parking rules. For example, cities can use the Department of Motor Vehicles to enforce parking tickets by adding the unpaid parking tickets to a person's vehicle registration or collect them through the Franchise Tax Board. However, this tool is ineffective for vehicles registered out of California.

The California Mobility and Parking Association, writing in opposition to this bill, argues "Parking enforcement is not merely about issuing tickets; it is about maintaining access to public spaces, ensuring emergency vehicle routes remain clear, and preventing the monopolization of parking by habitual violators. The ability to tow or immobilize vehicles serves as a deterrent and a practical solution when owners rack up multiple violations—whether on public streets or in off-street facilities—and refuse to respond. Without this authority, we anticipate a significant increase in unpaid fines, clogged parking spaces, and frustrated residents who rely on us to keep streets and parking facilities functional and available.

AB 1022 will render parking agencies helpless to enforce parking laws on those with out of State license plates. Those who are driving vehicles not registered in California could rack up unlimited parking tickets and leave enforcement officers with no recourse to tow or immobilize the vehicle to compel compliance since they are not subject to registration holds or punitive action from the DMV.”

The problem with free parking: Most parking in the United States is free. In order to accommodate car use, cities have dedicated exorbitant amounts of land to cars. The County of Los Angeles has dedicated around 200 square miles to parking, the land mass of Brooklyn, Manhattan, San Francisco, and the Bronx combined (home to 6.5 million people).

University of California Los Angeles urban planner Donald Shoup in his book *The High Cost of Free Parking* describes parking as “desirable in most locations, but you can have too much of a good thing. The principle that ‘the dose makes the poison’ applies perfectly to parking. By prescribing massive overdoses of parking spaces, planners are poisoning the city. Planning for parking has caused severe adverse reactions, and if a policy is judged by its consequences, off-street parking requirements are a catastrophe....The many significant costs related to current parking policies (e.g., increased housing prices, unjust subsidies for cars, distorted transportation choices, sprawl, social inequity, and economic and environmental degradation) are not a consideration.”

Shoup proposes “market-priced curb parking [to] save time, reduce congestion, conserve energy, improve air quality, and produce public revenue[and] returning all meter revenue to the neighborhoods that generate it.”

Committee comments: This bill eliminates the negative consequences of a person accumulating five or more parking tickets, particularly for low-income individuals who simply cannot afford the cost of the tickets. This bill addresses this problem by eliminating the authority for cities to impound or immobilize vehicles for unpaid parking ticket debt.

While this bill eliminates a cities’ ability to tow or immobilize a vehicle for unpaid parking tickets, a person could ultimately suffer that consequence when unpaid parking tickets are shifted to their vehicle registration and they still fail to pay. By removing local parking agencies ability to tow or immobilize a vehicle, this bill creates a new problem by making it difficult to enforce payment of tickets on out-of-state vehicles. This is because without a California vehicle registration local agencies lack an enforcement mechanism to go after repeat scofflaws and loose easier collection methods like the DMV or the Franchise Tax Board. As this bill moves forward, the Legislature may want to consider restoring the authority to immobilize vehicles or finding another solution for collecting unpaid debt from out of state vehicles.

While immobilizing a vehicle can harm a person’s ability to get to work, it does not come with the same problems as impoundment. Impounding a vehicle can lead to additional costs beyond the traffic tickets, and ultimately lead to the vehicle being auctioned off. Immobilizing the vehicle leaves the vehicle available for shelter for those who need it. Immobilizing a vehicle, however, leaves the parking spot unavailable to others.

Related legislation: AB 1299 (Bryan) of 2025 authorizes a local authority to offer a reduction or suspension of parking penalties if a person can demonstrate an inability to pay the parking penalty in full. That bill passed out of this committee and is currently in Assembly Appropriations Committee.

AB 3277 (Reggie-Jones), Chapter 55, Statutes of 2020 made various eligibility and programmatic changes to the payment plan program administered by local agencies relative to parking citations.

AB 503 (Lackey), Chapter 741, Statutes of 2017 required the offering of a payment plan and the waiver of penalties for indigent people with unpaid parking tickets prior to filing an itemization of them at the DMV, starting on July 1, 2018.

SB 1487 (Glazer) of 2024 would have prohibited a late payment penalty for a parking violation from exceeding 30% of the original penalty and would extend the time to pay a parking violation before additional penalties accrue. That bill was held in Assembly Appropriations Committee on suspense.

AB 1082 (Kalra) of 2023 would have, among other provisions, revised the ability of local processing agencies to refer delinquent parking violations to the DMV and revised requirements for payment plans. The bill died on the Senate floor.

AB 1685 (Bryan) of 2022 would have required processing agencies to forgive at least \$1,500 in parking fines and fees annually for a qualified homeless person. The bill was vetoed by Governor Newsom.

REGISTERED SUPPORT / OPPOSITION:

Support

FreeFrom (co-sponsor)
Lawyers Committee for Civil Rights of the San Francisco Bay Area (co-sponsor)
Western Center on Law & Poverty (co-sponsor)
ACLU California Action
Alameda County Homeless Action Center
Alliance of Californians for Community Empowerment
Californians for Safety and Justice
Courage California
Debt Free Justice California
Disability Rights California
Drug Policy Alliance
Glide
Grace Institute
Housing California
Larkin Street Youth Services
Legal Aid Foundation of Los Angeles
Legal Aid of Marin
Legal Services of Northern California
Rubicon Programs

Smart Justice California
University of the Pacific Mc George School of Law Homeless Advocacy Clinic

Opposition

Arcadia Police Officers' Association
Brea Police Association
Burbank Police Officers' Association
California Mobility and Parking Association
California Narcotic Officers' Association
California Police Chiefs Association
California Reserve Peace Officers Association
California State Sheriffs' Association
City of Beaumont
Claremont Police Officers Association
Corona Police Officers Association
Culver City Police Officers' Association
Fullerton Police Officers' Association
League of California Cities
Murrieta Police Officers' Association
Newport Beach Police Association
Palos Verdes Police Officers Association
Placer County Deputy Sheriffs' Association
Pomona Police Officers' Association
Riverside Police Officers Association
Riverside Sheriffs' Association
Santa Ana Police Officers Association

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