

Date of Hearing: May 14, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

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

Policy Committee: Transportation

Vote: 10 - 3

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill removes from existing law the authority of a peace officer to impound a vehicle that has five or more unpaid parking tickets or traffic violations, or to place a device designed to immobilize such a vehicle, effective January 1, 2026.

FISCAL EFFECT:

The University of California (UC) and the California State University (CSU) will each experience a loss in revenue as a result of this bill because both higher education segments use parking fines for supporting campus alternative methods of transportation, mitigating the effects of campus-related parking on nearby communities and administering the fines and forfeitures program. The UC estimates this loss will be approximately \$1 million annually, whereas the CSU estimates the loss to be about \$1.5 million annually (special funds).

COMMENTS:

- 1) **Purpose.** The author intends this bill to end what the author, and many others, term “poverty tows,” which the author claims are “harmful, costly and unconstitutional.”
- 2) **Background.** Current law authorizes a peace officer or a traffic and parking enforcement employee to tow and impound a vehicle that has five or more unpaid parking citations (tickets). To retrieve the vehicle from impound, the owner of the vehicle must (a) present to the impounding agency proof that parking penalties due for the vehicle and all other vehicles registered to the registered owner of the impounded vehicle, and all traffic violations of the registered owner, have been cleared and (b) pay all costs of towing and storing the vehicle. The law allows the lot owner to sell an impounded vehicle at auction if it is unclaimed for a period of time, usually 30 days, and subtract from sale proceeds any fees due the lot owner.

In addition, existing law allows an agency that issues parking tickets to report any unpaid parking tickets and related fees to DMV, which will require collection of the unpaid fees before allowing the registered owner to register the vehicle. However, the ticketing agency may report the unpaid tickets to DMV for collection only if it first provides a payment plan option for indigent persons that allows payment of unpaid parking penalties and related service fees in monthly installments of no more than \$25 for total amounts due that are \$500 or less and that can be paid off within 24 months, among many other requirements.

The Legislature has made several efforts to reduce the burden of parking tickets, especially on those Californians with the least ability to pay. For example, statute now requires an agency that issues a parking ticket to offer the owner of the vehicle a payment plan and to waive penalties if the person is indigent before the agency files an itemization of them at the DMV.

Still, many view enforcement of parking violations as unreasonably onerous, or even disastrous for those least able to pay the associated fines and penalties, describing the seizure of such vehicles in these circumstances as “poverty tows.” For example, the Western Center on Law and Poverty writes in support of this bill:

Every year, thousands of drivers get their cars towed because they cannot afford to pay their parking tickets. For low-income and working households, the towing of a vehicle is often catastrophic. In many cases, a tow can also lead to the total loss of a person’s car if the tow and ticket fees are more than they can afford or more than what their car is worth...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.

The author and supporters also offer as evidence of the righteousness of this bill a decision by the First District of the Court of Appeal (*Coalition on Homelessness v. City and County of San Francisco*), in which the court found tows for unpaid parking tickets to be warrantless seizures in violation of the Fourth Amendment to the US Constitution.

Nonetheless, others disagree. Writing in opposition to the bill, the League of California Cities (Cal Cities) and Rural County Representatives of California (RCRC) contend the bill would:

severely limit our ability to enforce parking regulations, causing a cascade of fiscal damage: lost revenue, increased administrative costs, decreased compliance, harm to local businesses, public safety risks, and overall reduced effectiveness of municipal government operations.

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