

**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: May 22, 2013

TO: Honorable Members of the Rules, Elections and Intergovernmental Relations
Committee

FROM: Gerry F. Miller *Gerry Miller For* Council File No: --
Chief Legislative Analyst Assignment No: 13-05-0386

SUBJECT: Resolution to support AB 443, legislation which would require the Department of Motor Vehicles to collect on all unpaid parking citations prior to the transfer of vehicle ownership through the "family transfer" process

CLA RECOMMENDATION: Adopt Resolution to include in the City's 2013 - 2014 State Legislative Program SUPPORT for AB 443 (Lowenthal), which would require the Department of Motor Vehicles to collect on all unpaid parking citations from a vehicle owner before title of the vehicle can be transferred to a family member using the Department's family transfer process.

SUMMARY

On April 24, 2013, the Department of Transportation (DOT) forwarded a bill response report to the Chief Legislative Analyst's Office seeking a City position on AB 443, legislation which would require the Department of Motor Vehicles (DMV) to collect on all unpaid parking citations prior to transferring the title of a vehicle under the DMV's "family transfer" process. The report notes that under current law, transfers of vehicle ownership between immediate family members are exempt from DMV collection. This allows individuals to avoid paying fines and penalties from delinquent parking citations by transferring vehicle ownership between relatives.

Upon review, this Office has prepared the attached Resolution in support of the bill. The Resolution seeks an official position of the City of Los Angeles to support AB 443, which requires the DMV to collect on all unpaid citations prior to any transferring of ownership through the DMV's family transfer process.

BACKGROUND

Under existing law, the Department of Motor Vehicles (DMV) is authorized to keep a record of delinquent parking citations associated with a vehicle, and to collect on unpaid citations from the registered owner during the vehicle registration renewal process. Currently, when the title of a vehicle is transferred to a new owner, DMV does not collect on unpaid citations and returns any unpaid citations to the issuing jurisdiction, which would then be responsible for their collection. This effectively wipes the record clean, by removing any unpaid citations from the vehicle's history. Scofflaws have used this transfer process to avoid paying fines for outstanding citations.

When a vehicle is transferred to a family member, the DMV's family transfer process can be used. This process costs \$15, and exempts the parties from the use tax and license fees, as well as the smog certification requirement. This transfer process is popular with individuals seeking to avoid paying their citations, as the costs are low, and an individual can transfer their vehicle to a household member, thereby retaining use of the vehicle.

An audit conducted by the City of Long Beach, a sponsor of AB 443, shows that a majority of vehicles with outstanding parking citations are no longer registered to their previous owner. This indicates that transfers are commonly used to avoid payment of fines, and that this issue is a significant problem. The same Long Beach audit showed that the owners of the 25 vehicles with the most outstanding citations had all been sold or transferred to new owners.

AB 443 seeks to address this issue by requiring DMV to collect on all unpaid citations as part of the family transfer process. While this will not address all delinquency issues, it will curtail abuse of a policy that allows individuals to effectively purge their citation record and thwart local jurisdictions' collection efforts.

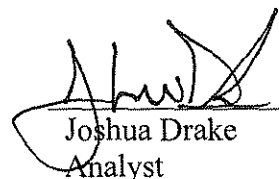
The Department of Transportation (DOT) has indicated its support for this legislation. AB 443 is also supported by the City of Long Beach, the League of California Cities, the California Public Parking Association, and the Los Angeles County Division of the League of California Cities.

DEPARTMENTS NOTIFIED

Department of Transportation

BILL STATUS

02/19/2013	Bill introduced
05/02/2013	Bill passed in Committee
05/09/2013	Passed as in Assembly (75-0)
05/09/2013	Introduced in Senate


Joshua Drake
Analyst

GFM:MF:jwd

Attachment: Resolution

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the City of Los Angeles issues millions of parking citations every year; and

WHEREAS, most individuals pay their parking citations, however, a significant minority ignore them; and

WHEREAS, these scofflaws often attempt to find ways to have these citations removed from their Department of Motor Vehicles (DMV) Record; and

WHEREAS, under current state law, the DMV is authorized to collect delinquent parking citations on behalf of the local jurisdictions that issued them; and

WHEREAS, because of a loophole in current state law, the DMV does not currently collect fines and penalties on outstanding parking citations when a vehicle is transferred to an immediate family member through its "family transfer" process; and

WHEREAS, the family transfer process is being exploited by those who transfer ownership of their vehicle to a family member in order to avoid paying citations, while remaining in actual possession and use of their vehicle; and

WHEREAS, AB 443 (Lowenthal) would close this loophole, and require the DMV to collect on all unpaid parking citations before title of a vehicle can be transferred to a family member; and

WHEREAS, AB 443 eliminates the ability of scofflaws to use the family transfer process to avoid paying for outstanding parking citations, and enables the DMV to collect the fines and penalties on outstanding citations prior to allowing the transfer of ownership to a family member;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2013 - 2014 State Legislative Program SUPPORT for AB 443, which would require the Department of Motor Vehicles to collect on all unpaid parking citations from a vehicle owner before title of the vehicle can be transferred to a family member using the Department's family transfer process.