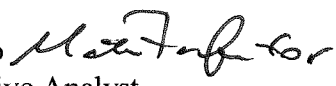


**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: September 1, 2017

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

FROM: Sharon M. Tso  Chief Legislative Analyst Council File No.: 17-0002-S99
Assignment No.: 17-07-0706

SUBJECT: Indigent parking fine payment program.

CLA RECOMMENDATION: Adopt Resolution (Krekorian - Huizar) to include in the City's 2017-2018 State Legislative Program **OPPOSITION, UNLESS AMENDED**, to AB 503 (Lackey) to reflect the City's Community Assistance Parking Program (CAPP) pilot program for homeless motorists to clear unpaid parking citations through community service and the recently implemented Installment Payment Plan (IPP) for motorists who provide evidence of an inability to pay a parking fine.

SUMMARY

Existing state law allows local jurisdictions to report unpaid parking fines to the Department of Motor Vehicles (DMV). The DMV can then collect the individual's fines if he or she attempts to register or renew registration for their vehicle. If the individual does not pay the fines, the DMV is then required to refuse to register or renew the vehicle's registration or issue a driver's license. On February 2, 2017, Assembly Member Lackey introduced AB 503, which would introduce a statewide fee reduction process for individuals deemed "indigent."

The Resolution calls for opposition to AB 503, stating that the adequacy of the City's CAPP and IPP programs must first be evaluated before taking a position on this measure, which, would interfere with local control over parking regulation and with the City's ability to implement innovative programs. AB 503 represents a preemption of local control over parking regulations.

BACKGROUND

In March 2017, the City initiated a six-month CAPP pilot program that allows homeless motorists the option of clearing unpaid parking citations through community service instead of paying the fine. The City has implemented an IPP program for motorists who provide evidence of an inability to pay a parking fine. These City programs address the punitive aspects of parking regulation by giving motorists alternative methods to resolve parking citations. The effectiveness of these programs is not yet known, given their recent implementation. The City should first understand the effectiveness of the City's innovative approach to parking regulation before a statewide program is undertaken.

Sponsored by the Western Center on Law and Poverty, the proposed legislation seeks to reduce the financial impact on those who cannot pay their parking fines. The Los Angeles Department of

Transportation (LADOT) recognizes the importance of assisting with the payment of parking fines and has taken steps to mitigate this burden through the IPP and CAPP. The statewide program that would be implemented, reducing parking citation burden on “indigent” persons could come with significant fiscal impact and potential for abuse.

Projected City costs for the implementation of AB 503 is estimated to be \$24,488,000 annually. LADOT based this estimate on current parking citation volumes. The bill is focused on “indigent” people who are unable to pay their parking fines. Based on the bill’s language, 20 percent of the City’s population would be considered “indigent.” AB 503 calls for an 80 percent fine reduction, which would result in lost City revenue, given fees owed to the State, the County, and the parking citation processing contractors.

As proof of “indigence,” the bill allows an individual to “attest to his or her indigent status under penalty of perjury,” or to provide a pay stub, bank statement, grocery receipts, or proof of public benefits. This would be easily exploitable.

The six-month CAPP pilot program, allowing homeless motorists the option of clearing unpaid parking citations through community service instead of paying the fine, has yet to conclude. It will be evaluated at its conclusion. The IPP, which allows individuals to pay their fines in multiple installments over a three-month period, has not been implemented for sufficient time to allow for an evaluation of its effectiveness. Both of these programs are designed to protect low income individuals and other residents of Los Angeles. The City programs must be appropriately evaluated before considering a State bill that preempts local control and violates the principle of home rule.

BILL STATUS

08/21/17	In committee: Referred to Appropriations suspense file.
08/21/17	In committee: Hearing postponed by committee.
07/18/17	Read second time and amended. Re-referred to Committee on Appropriations.
07/11/17	From committee: Amend, and do pass as amended an re-refer to Committee on Appropriations. (Ayes 12. Noes 0.) (July 11).
06/14/17	Referred to Committee on Transportation and Housing.
02/13/17	Introduced.



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Analyst