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City Manager's Office

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Debra Figone

SUBJECT: POTENTIAL MEDIA REPORT
ON PARKING CITATIONS

DATE: August 30, 2013

INFORMATION

The purpose of this memorandum is to inform the City Council of a potential news report by NBC Bay Area's Investigative Unit on the collection of delinquent parking citations by at least four major Bay Area cities, including San José. The City Manager's Office and the Department of Transportation have been responsive to NBC's multiple Public Records Act requests over the past two months and have recently conducted an off-camera informational meeting and on-camera interview related to this topic. NBC-11 has currently scheduled its investigative story to air on Tuesday night, September 3, although this could change.

The following provides basic information about the City's Parking Compliance Program, including the issuance of parking citations and the associated collection of fines and penalties:

- The primary role of parking compliance is to ensure safe and efficient access to street parking in the public right-of-way. Street parking is regulated and allocated through appropriate signage and curb markings. DOT's Parking and Traffic Compliance Officers patrol routes throughout the City to gain compliance with posted regulations, using a variety of tools including education, warnings, and citations. Patrol routes emphasize school zones, street-sweeping and residential permit-parking zones, and business districts to enhance safety, support cleaning and maintenance operations, and to create availability of the most convenient street parking through the turnover of high-demand spaces.
- Parking citations are most commonly issued for expired parking meters, exceeded posted time limits, and non-commercial parking in commercial freight-loading zones; parking during posted street sweeping periods; double parking and blocking crosswalks in school zones; non-permitted parking in signed residential parking zones; parking in marked disabled spaces without a legal placard; and blocked driveways in neighborhoods.
- Over the last five years, approximately 180,000 to 234,000 parking citations were issued and processed annually. This activity ultimately has resulted in the collection of approximately \$9 to \$12 million annually in parking fine revenue. Annual net revenues to the General Fund, after patrol and collection expenses, is in the \$2 to \$4 million range.

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- Over that same five-year period, the City has had a good collection rate of 87% on parking citations, which compares well with other cities that have typical collection rates in the 75% to 85% range. The California statute of limitations for the collection of delinquent parking citations is five years, and therefore citations older than five years are uncollectable under State law. The estimated current value of delinquent parking citations in San José for the same five year period, that the City will not likely be able to legally or practically collect before the statute of limitations expires, is approximately \$11 million.
- State law regulates the methods that cities can use to collect delinquent parking citations from the registered owner of a vehicle (at the time the citations were issued). The City has successfully been using those methods that are cost effective to achieve the 87% collection rate, including: the Department of Motor Vehicles (DMV) placing holds on vehicle registration; the Franchise Tax Board garnishing State tax refunds and lottery winnings; and collection agencies pursuing payment and filing negative credit notices.
- Despite the City's considerable efforts, approximately 13% of parking citations are not ultimately paid within five years. Common collection challenges relate to the transfer of vehicle ownership (state law appropriately does not assign responsibility for unpaid parking citations to a new owner of a vehicle that has been sold, and therefore did not own the vehicle when the parking citations were issued); out-of-state vehicles; rental cars; and abandoned vehicles. In an effort to close a legal (and common) loophole, the Governor recently signed AB 443 (Lowenthal), with support from San José and the League of California Cities, to prevent the transfer of vehicle ownership and registration among family members prior to the payment of unpaid parking citations. The new law will take effect in January 2014.
- Some cities use a collection method whereby vehicles, with five or more unpaid citations incurred on the vehicle by the current owner, are immobilized with a mechanical "boot" until the registered owner pays the delinquent parking fines. San José explored this option in 2011 and determined it would not be cost effective based upon the size of the potential pool of vehicles and citations that could be effectively and properly pursued.
- In the course of responding to the NBC Bay Area information requests, the issue of parking violation scofflaws received considerable attention. Scofflaws are defined as having incurred five or more parking citations that remain unpaid in a five-year period. In San José, staff estimates that the number of scofflaws that the City could cost-effectively collect from is relatively low, especially when compared to total collections.
- The current top two scofflaws are considered particularly egregious with an accumulation of approximately 200 unpaid parking citations each. The parking fines and associated penalties, for the single largest unpaid account, totals approximately \$8,000 and \$9,000 respectively. Most of the top 100 scofflaws have total outstanding fine and penalty amounts in the \$2,000 to \$4,000 range. Staff is currently exploring legal and cost-

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effective options with the City Attorney's Office that might further enhance the City's ability to collect delinquent parking fines, particularly those related to egregious scofflaws.

In summary, the City's Parking Compliance Program uses a variety of cost-effective methods to achieve compliance with parking regulations and a good rate of collection on citations. The City continues to balance its goals of ensuring safe and efficient access to street parking in the public right-of-way, maintaining attractive neighborhoods and a welcoming downtown, and providing sufficient enforcement of parking regulations and effective collection of fines and penalties.

A handwritten signature in black ink, appearing to read 'Debra Figone', with a long horizontal flourish extending to the right.

DEBRA FIGONE

City Manager

For questions, contact Jim Ortbal, Assistant Transportation Director at (408) 535-3845.