
SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No:	AB 516	Hearing Date:	6/25/2019
Author:	Chiu		
Version:	6/18/2019 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Manny Leon		

SUBJECT: Authority to remove vehicles

DIGEST: This bill removes and modifies the authorization to tow a vehicle by law enforcement and/or a local public agency under various circumstances.

ANALYSIS:

Existing law:

- 1) Authorizes a peace officer to tow a vehicle for a variety of reasons including, but not limited to, whether the vehicle has five or more unpaid parking tickets or traffic tickets, was parked in one place for more than 72 hours against a local ordinance, registration has lapsed by more than 6 months. (V.C. 22651)
- 2) Allows a local authority, if a vehicle was towed for unpaid parking tickets or traffic violations, to sell an unclaimed vehicle for the purposes of recovering lost revenue, but makes the parking tickets and traffic tickets subordinate to the towing and storage costs. (V.C. 22851.1)
- 3) Authorizes a peace officer to install an immobilization device on vehicles for having five or more unpaid parking tickets or traffic tickets. (V.C. 22651.7)
- 4) Establishes a process that allows certain individuals that meet specified criteria in possession of outstanding parking citations to repay their fines and penalties, as specified. (V.C. 40220)

This bill:

- 1) Makes findings and declarations relative to the impacts of vehicular towing on low-income and homeless individuals.
- 2) Repeals the authority that allows peace officers to tow vehicles for having five or more delinquent parking violations.

- 3) Modifies the authority to tow a vehicle parked or left standing for 72 or more hours by first requiring a notice to be placed on the vehicle allowing the vehicle to remain parked or left standing for a minimum of 10 additional business days prior to being towed.
- 4) Repeals existing law allowing for an immobilization of a vehicle that has five or more unpaid parking or traffic tickets.
- 5) Repeals the authority to conduct lien sales on vehicles towed for parking penalties to cover towing and storage expenses, as specified.
- 6) Makes various technical and conforming changes.

COMMENTS:

- 1) *Author's statement.* According to the author, "Towing is a stressful and unpleasant experience for anyone, but for tens of thousands of Californians each year, towing has a devastating economic impact. There are many good reasons for cars to get towed, such as for public safety reasons or traffic flow, but there are 3 "poverty related tows" that solely target Californians for minor offenses based on their income. These are tows for unpaid parking tickets, an outdated car registration or for when a car has been legally parked for 72 hours on a public street. If you can't afford to pay your parking tickets or car registration, or afford private parking, you can't afford hundreds or thousands of dollars to get your car out of a tow yard. This results in low-income Californians losing their cars, their ability to get to work, their jobs, and even their shelter. Tow yards lose money having to cover the costs of towing, storage and lien sales. And cities lose money as they never recoup the original debts from car-owners. Low income people lose - tow yards lose - local governments lose. This bill simply stops this vicious cycle that isn't working for anyone."
- 2) *Towed into Debt.* A report published in 2019 by the sponsors titled *Towed into Debt: How Towing Practices in California Punish Poor People*, notes how California's cities attempt to regulate parking have resulted in disproportionate punishments for low income individuals. Based on an analysis of eight California cities, the report estimated that one fourth of all tows conducted are because the owner had unpaid parking or traffic tickets, lapsed registration, or for being parked in one place for 72 hours. Vehicles towed for these reasons are 2 to 6 times more likely to be sold at a lien sale than the average towed cars. The report noted that 50% of the vehicles towed in San Francisco for unpaid parking tickets and 57% of the vehicles towed for lapsed registration were sold

by the tow companies, compared to only 9% of other vehicles that were towed for other reasons. In 2016, the City of San Francisco ordered more than 42,000 tows and sold more than 5,300 vehicles in lien sales. In total, the report estimated that public agencies in California towed nearly one million vehicles in 2016.

- 3) *Towing Rates.* The general cost of towing and impound fees have been widely reported. Rates vary by locality based on the agreement local agencies enter with towing companies. For example, a random search of towing and storage rates for three cities in California finds that for the City of Long Beach the basic tow rate is \$195/hour, the vehicle release fee is \$43, and the daily storage fee is \$55. For the City of San Jose the basic tow rate is \$215, the release fee is \$122, and the daily storage fee is \$87.50, and for the City of Los Angeles the basic tow rate is \$133/hour, the release fee is \$115, and the daily storage fee is \$41.50. As these rates can translate into hundreds of dollars in a matter of days, it has been noted by many stakeholders that these rates have the greatest negative impact on low-income individuals. In response to these rates, some localities have considered payment alternatives. For example, the City of San Francisco in 2018 implemented a payment installment plan and certain fee waivers for qualified low-income individuals.
- 4) *Effective deterrent.* While the high costs of towing and impoundment has been widely reported, studies have shown vehicular towing and impoundment serve as an effective deterrent for a variety of traffic violations. For example, the Center for Disease Control and Prevention evaluated six studies relative to states that impose towing and impoundment laws and found in majority of the studies, these laws were effective in changing the behavior of motorist with respects to driving under the influence. Furthermore, the American Automobile Association notes, “research has demonstrated vehicle impoundment to be consistently effective in reducing DUI offenses among convicted impaired drivers. Vehicle impoundment helps reduce the drivers’ likelihood of re-offending even after other sanctions have been completed.” With respects to towing a vehicle for expired vehicle registration, the California Highway Patrol reports 17,780 have been towed between July 1, 2018 to May 29, 2019.
- 5) *Assistance.* Over the past five years, the Legislature has passed a variety of measures to allow individuals experiencing financial hardships to pay down and/or remove penalties and fines associated with parking and certain traffic violations. In 2015, Hertzberg, SB 405 (Chapter 385, Statutes of 2015) eliminated the requirement to pay all penalties and fines for certain traffic violations up front and allowed an individual to schedule a court hearing prior to payment. SB 405 aimed to remedy an issue many low-income individuals

were experiencing with driver's license suspensions associated with unpaid traffic violations. In 2017, AB 503, Lackey, (Chapter 741, Statutes of 2017) provides individuals experiencing financial hardships the opportunity to pay down unpaid parking citations through an installment plan if certain conditions are met.

This bill aims to address several of the issues identified in *Towed into Debt* relative to the impacts associated with vehicular towing and low-income/homeless individuals. Specifically, for a vehicle identified to be parked longer than 72 hours, the bill requires a local agency to provide notification and an additional period prior to towing, removes the ability to tow a vehicle that has been issued five or more parking tickets, and removes the ability to immobilize a vehicle that has been issued five or more parking tickets. However, while the provisions specified in this bill may in fact provide assistance for certain individuals who undoubtedly warrant support, it's also important to note that the provisions specified in this bill apply to *all* vehicles throughout the state regardless of an individual's ability to pay.

- 6) *Support.* Writing as co-sponsors to the bill, the Western Center on Law and Poverty notes, “we are a co-sponsor of AB 516 (Chiu) to reduce the number of Californians losing their vehicles due to minor Vehicle Code infractions. We remain in support of the bill, as amended, to eliminate towing for having 5 or more unpaid parking tickets and to extend the time before a car can be towed for being parked on a public street to 10 days.

For the last half dozen years, our organization and other legal service groups have been documenting the devastating impact that traffic violations, parking violations, juvenile fines and bail have on low income Californians. Fines and fees for even routine violations can run into the hundreds of dollars and if a person cannot afford to pay, the costs can exceed \$1,000 quickly. Fortunately, California has been a national leader in addressing the disproportionate impact that these policies have caused and our state is a better place for the quick responses by California's policymakers.”

The Western Center further writes, “losing a vehicle due to towing has a devastating impact on poor Californians. When a person gets their car towed they are faced with three unappealing choices. One, they can spend the little money they have to pay off the fines and fees, pay the release fee to local law enforcement and then pay off the towing and storage costs. But as the Federal Reserve notes 46 percent of Americans can't afford an unexpected \$400 bill let alone a tow costing \$1,000 or more. If they pay off the towing costs, it likely

means the family is not paying other bills which simply extends the crisis to another aspect of the family's life. For many this can lead to an eviction.”

- 7) *Opposition.* Writing in opposition to this measure, the League of California Cities notes, “League of California Cities regrestfully remains Opposed to AB 516 (Chiu), a measure that would eliminate the ability for cities and law enforcement to adequately enforce state and local vehicle violations. AB 516 also harms the ability for cities to prevent the improper storage of private vehicles on public streets, which can create and/or exacerbate blight and public safety hazards, especially in disadvantaged communities.”

The League further writes, “in some cities, complaints of abandoned vehicles and/or improperly stored vehicles are made every five minutes. In most cities, a low percentage of vehicles are actually towed for these violations, usually far in excess of 72 hours. 72-hour parking time restrictions are a key element in city efforts to protect the public right of way. Protection of the public right of way allows for residents to access the various facets of a city, including residential neighborhoods, government services, local businesses, and city attractions. Ensuring residents and visitors have access to their own homes or those of their relatives, city hall, parks, libraries, retail, restaurants, and cultural epicenters benefit from the city adequately enforcing these basic restrictions. Residential neighborhoods and major business corridors already struggle with limited parking spaces and will continue to struggle as communities densify, making parking enforcement much more essential.”

- 8) *Double Referral.* This bill is also referred to the Senate Committee on Public Safety.

RELATED LEGISLATION:

AB 2544 (Lackey, Chapter 494, Statutes of 2018) and **AB 503 (Lackey, Chapter 741, Statutes of 2017)** — requires processing agencies to take several steps prior to asking DMV to collect their unpaid debt from indigent individuals, including establishing a payment program and waiving late fees and penalty assessments.

SB 405 (Hertzberg, Chapter 385, Statutes of 2015) — requires courts to allow individuals to schedule court proceedings, even if bail or civil assessment has been imposed, and made clarifications to the traffic amnesty program.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

Assembly Votes:

Floor: 49-11

Approps: 18-0

Trans: 12-0

**POSITIONS: (Communicated to the committee before noon on Wednesday,
June 19, 2019.)**

SUPPORT:

Western Center on Law and Poverty (Sponsor)
Homeboy Industries
National Association of Social Workers- California Chapter
Rubicon Programs
Stronger California
Equal Rights Advocates
Law Foundation of Silicon Valley
Courage Campaign
Senior & Disability Action
Disability Rights Advocates
American Civil Liberties Union of California
National Lawyers Guild
Lawyers Committee for Civil Rights of the San Francisco Bay Area
California Voices for Progress
San Francisco Public Defender
East Bay Community Law Center
Law Enforcement Action Partnership
Immigrant legal Resource Center
Tipping Point Community
Public Counsel
Insight Center for Community Economic Development “Insight”
Legal Services of Northern California
Public Law Center

OPPOSITION:

California Downtown Association
City of Los Angeles
City of Sacramento

City of San Jose (unless amended)
League of California Cities
San Jose Downtown Association

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