

Date of Hearing: April 20, 2016

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Susan Talamantes Eggman, Chair

AB 2586 (Gatto) – As Amended April 6, 2016

**SUBJECT:** Parking.

**SUMMARY:** Imposes a number of restrictions and requirements on local authorities' ability to regulate parking in their jurisdictions. Specifically, **this bill:**

- 1) Declares the intent of the Legislature that if a local authority prohibits or restricts the parking or standing of vehicles for the purposes of street sweeping, the local authority shall ensure that parking is made available as soon as the street sweeping is completed, regardless of the posted hours of street sweeping.
- 2) Deletes the sunset date on provisions that prohibit local authorities from prohibiting or restricting parking of vehicles in a space regulated by an inoperable parking meter or an inoperable parking payment center, thereby extending these provisions indefinitely.
- 3) Prohibits valet parking services in business districts from restricting motorists' ability to park in available metered parking spaces and from prohibiting motorists from using designated passenger loading areas.
- 4) Prohibits a local authority, when using contracted private parking enforcement services, from promoting incentives (monetary or otherwise) for issuing higher numbers of violations or increasing fines to cover the costs of the contracted enforcement services.
- 5) Requires local jurisdictions to consider the feasibility of using demand-based pricing technology and to identify appropriate locations where it can be utilized, when installing new parking technology within their jurisdictions.
- 6) Requires local jurisdictions to include a written finding when considering the use of demand-based pricing technology for parking and to retain a copy of the finding and post it on their Internet Web site (website), if they have one.
- 7) Provides that no reimbursement is required by this bill, pursuant to Section 6 of Article XIII B of the California Constitution, for certain costs that may be incurred by a local agency because, in that regard, this bill creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution. However, if the Commission on State Mandates determines that this bill contains other costs mandated by the state, reimbursement to local agencies for those costs shall be made, pursuant to current law governing state-mandated local costs.

**EXISTING LAW:**

- 1) Defines parking as the standing of vehicles, whether occupied or not, otherwise than temporarily for the purpose of and while actually engaged in loading and unloading of merchandise or passengers.

- 2) Allows local authorities to establish parking meter zones and fix the parking fee for such zones by ordinance.
- 3) Authorizes local jurisdictions to issue parking citations to allow for street sweeping.
- 4) Prohibits, until January 1, 2017, a local authority, by ordinance or resolution, from prohibiting or restricting the parking of vehicles in a space that is regulated by an inoperable parking meter or inoperable parking payment center.

**FISCAL EFFECT:** This bill is keyed fiscal.

**COMMENTS:**

- 1) **Bill Summary.** This bill makes a number of changes to law governing local jurisdictions' authority to regulate parking, as follows:
  - a) Declares the intent of the Legislature that if a local authority prohibits or restricts the parking or standing of vehicles for the purposes of street sweeping, the local authority must ensure that parking is made available as soon as the street sweeping is completed, regardless of the posted hours of street sweeping;
  - b) Deletes the January 1, 2017, sunset on provisions that prohibit local authorities from prohibiting or restricting parking of vehicles in a space regulated by an inoperable parking meter or an inoperable parking payment center, thereby extending these provisions indefinitely;
  - c) Prohibits valet parking services in business districts from restricting motorists' ability to park in available metered parking spaces and from prohibiting motorists from using designated passenger loading areas;
  - d) Prohibits a local authority, when using contracted private parking enforcement services, from promoting incentives (monetary or otherwise) for issuing higher numbers of violations or increasing fines to cover the costs of the contracted enforcement services; and,
  - e) Requires local jurisdictions to consider the feasibility of using demand-based pricing technology and to identify appropriate locations where it can be utilized, when installing new parking technology within their jurisdictions. When considering the use of demand-based pricing technology, local jurisdictions must include a written finding, retain a copy of the finding, and post it on their website, if they have one.

This bill is sponsored by the author.

- 2) **Author's Statement.** According to the author, "Every year, cities issue thousands of parking tickets to motorists for every imaginable violation, ranging from expired meters to driveway obstruction, proximity to fire hydrants and stop signs to abandonment of a vehicle. Unfortunately, budget deficits have led many local governments to run their public parking enforcement programs as additional sources of revenue, rather than as mechanisms for enforcing sensible parking restrictions. These tickets add up, and in 2014, were responsible for approximately \$165 million of Los Angeles's city budget and almost \$130 million of San

Francisco's city budget. This profit-driven parking enforcement system has a disproportionate impact on low-to-moderate income residents who live in densely populated urban areas. As Los Angeles Mayor Eric Garcetti recently stated, 'It's a 'got-ya' culture...It doesn't work for the businesses, it doesn't work for the drivers.'"

- 3) **Background.** SB 1388 (DeSaulnier), Chapter 70, Statutes of 2012, established a general rule that a vehicle owner may park, up to the posted time limit, without penalty, in any parking space where the parking meter or parking payment center is inoperable. SB 1388 contained a provision that allowed local jurisdictions to adopt different rules, provided that adequate notice of the rule was provided at the parking location. As a result, some local jurisdictions began banning parking at inoperable meters using posted signs to notify motorists. To address this loophole, AB 61 (Gatto), Chapter 71, Statutes of 2013, prohibited local jurisdictions from ticketing at inoperable meters. These provisions sunset January 1, 2017.

According to a July 5, 2012, article in the Los Angeles Times, the City of Los Angeles issues 2.5 million parking citations every year. In 2011, the city increased fines for the sixth time in seven years, which was expected to generate an extra \$8.4 million for the city's general fund.

An editorial published on February 15, 2013, in the Los Angeles Times urged local action on the issue, noting the adverse impact of the fines on low-income individuals and those who live in neighborhoods with scant street or garage parking. The editorial reported that parking tickets generate \$150 million in annual revenues for the city. The editorial also noted irregularities with the private company, Xerox State and Local Solutions, that operates the city's Parking Violations Bureau, stating,

"Since Xerox took over, a group of people in the city says the company has been trying to keep more parking revenue by stonewalling attempts to fight tickets...(one individual) filed a class-action lawsuit in January, claiming Xerox doesn't really consider their cases but just sends form letters stating that their appeals have been rejected. Then, when motorists try to appeal to the Department of Transportation, Xerox slaps them with late payment fees and penalties...The city's data on tickets seem to back up (the class-action litigant's) claim that Xerox is rejecting too many appeals. Last year, the city dismissed thousands of tickets after Xerox had rejected the drivers' appeal – vindicating the small percentage of intrepid souls who managed to bring their case to City Hall."

However, a Los Angeles Times editorial published on January 21 of this year in response to this bill states,

"...these rules and regulations of street parking are not issues for the state legislature. They're classic local issues which different cities might want to handle differently. And if problems arise, they're best fixed by local governments...Interestingly, L.A. had been ticketing at broken meters, on the dubious argument that not doing so created an incentive for motorists to break them. But the council changed that unpopular (and unreasonable) policy after (AB 61) passed..."

"In the last few years in Los Angeles there has been such an outcry over confusing parking regulations and increases in parking fines that Mayor Eric Garcetti created what he calls the Parking Reform Working Group, which delivered a report last year on how to reform the system. Councilman Mike Bonin incorporated a number of its suggestions

into several motions that are now winding their way through council committees. But the city needs to get moving on this. The working group was formed in June 2014 and reported back last February, yet none of its changes have been implemented to date...Nevertheless, the fact remains that City Hall is the place to enact any parking reforms for city streets."

- 4) **Previous Legislation.** AB 61 (Gatto), Chapter 71, Statutes of 2013, prohibited, until January 1, 2017, a city or county from citing vehicles or parking at an inoperable parking meter or parking payment center for up to the posted time limit.

SB 1388 (DeSaulnier), Chapter 70, Statutes of 2012, established a general rule that a vehicle owner may park without penalty in any parking space for up to the posted time limit if the parking meter or parking payment center is inoperable, but allowed a city or county to adopt a different rule if it provided adequate notice of the rule.

- 5) **State Mandate.** This bill is keyed a state mandate, which means the state could be required to reimburse local agencies for implementing the bill's provisions if the Commission on State Mandates determines that the bill contains costs mandated by the state.
- 6) **Arguments in Support.** The Howard Jarvis Taxpayers Association, in support, writes, "This bill includes a number of common-sense provisions to ensure that taxpayers don't spend their hard-earned money to deal with either government incompetence or criminal activity far outside their control."
- 7) **Arguments in Opposition.** The League of California Cities, in opposition, states, "This bill unnecessarily upends local authority to regulate parking, an authority that cities have had since at least 1959. In 2013, the state enacted AB 61 (Gatto), Chapter 71, Statutes of 2013, a bill narrowly targeted at broken parking meters. The League is currently in the process of surveying its members, but initial responses indicate that there has been a significant increase in meter vandalism in just the two years since this bill's implementation. Furthermore, broken meters represent only a fraction of working parking meters, making this an unusual candidate for statewide policy. Any attempt to make this recent change in law permanent is premature, at best.

"Unlike AB 61, AB 2586 goes well beyond the limitations imposed on local government authority to regulate its own parking needs...No entity is better equipped than local government to regulate its own parking needs. In fact, many small cities throughout the state do not have any parking meters and many of the larger cities are moving towards some of the technology called for in this bill. Cities continue to demonstrate their willingness to adapt to their residents' parking needs and there is no demonstrated need for the state to insert itself into this core local issue."

- 8) **Double-Referral.** This bill was heard by the Transportation Committee on April 4, 2016, where it passed with a 16-0 vote.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Howard Jarvis Taxpayers Association

**Opposition**

California Public Parking Association

City of Sacramento

City of San Carlos

Culver City Chamber of Commerce

League of California Cities

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