



## Legislation Text

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File #: 2020-0431, Version: 1

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**DATE:** February 11, 2021

**SUBJECT:**

**ORDINANCE AMENDING SAN DIEGO UNIFIED PORT DISTRICT CODE SECTION 8.15 - PARKING REGULATIONS ENFORCEMENT TO BE COMPLIANT WITH REVISIONS TO THE INDIGENT PAYMENT PLAN REQUIREMENTS WITHIN CALIFORNIA VEHICLE CODE SECTION 40220 PURSUANT TO ASSEMBLY BILL 3277**

### **EXECUTIVE SUMMARY:**

Assembly Bill (AB) 3277, effective January 1, 2021, revised the guidelines within California Vehicle Code (CVC) Section 40220, relating to collection of parking penalties. The law requires processing agencies to provide low-income individuals the opportunity to set up an indigent payment plan (Plan) to pay parking citations. Processing agencies are required to have this type of Plan in order for the Department of Motor Vehicles (DMV) to continue to collect any outstanding unpaid parking debt through the registration hold program. AB 3277 updates existing law to allow more individuals access to the Plan. This update provides additional flexibility, reducing the financial impact of parking debt for more low-income individuals and giving individuals in financial distress greater lengths of time to enroll and pay off their debts. The following revisions were made to CVC Section 40220:

- a) Increased the \$300 maximum debt limit (i.e., outstanding parking citation amount) amount to \$500 for the total debt amount required for a parking agency to offer an indigent payment plan to a low-income person.
- b) Lengthened the Plan to be available for a maximum of 24 months from previous 18 months.
- c) Changed timeframe a person may request a Plan from 60 to 120 calendar days from the issuance of a parking citation.
- d) Clarified that the required website notification of the availability of a Plan must be in a place that is readily accessible in a prominent location on the agency's internet website.

In order to comply with the updated guidelines approved by AB 3277 and incorporated within CVC Section 40220, staff recommends that the Board of Port Commissioners (Board) adopt an Ordinance Amending San Diego Unified Port District Code Section 8.15 - Parking Regulations Enforcement to be Compliant with Revisions to the Indigent Payment Plan Requirements within California Vehicle Code Section 40220 Pursuant To Assembly Bill 3277.

### **RECOMMENDATION:**

Adopt an Ordinance amending San Diego Unified Port District Section 8.15 - Parking Regulations Enforcement to be compliant with revisions to the Indigent Payment Plan Requirements within California Vehicle Code Section 40220 pursuant to Assembly Bill 3277.

### **FISCAL IMPACT:**

Since implementation of the Plan, the impact to the District's citation revenue has been minimal. The majority of the Plan's administrative cost is covered by the \$5 Administrative Plan processing fee collected by the District's citation processing vendor (Data Ticket, Inc.) from the applicant. An additional \$1.35 per Plan is paid by the District to Data Ticket, Inc. to cover the remaining administrative fees associated with reviewing the application and issuance of a determination letter. To date, the District has received 93 Plan applications, which is 0.15% of the citations written. The District's cost since inception of the Plan has been \$126.00, which reduces gross citation revenue and is reflected in the Citation Revenue Account. Any future cost will be reflected in Guest Experiences -Parking's annual budget.

### **COMPASS STRATEGIC GOALS:**

The amendment of Section 8.15 of the San Diego Unified Port District Code (Code) - Parking Regulations Enforcement will update language within the Code to comply with guideline revisions made within CVC Section 40220 and pursuant to AB 3277 to allow more flexibility for those low-income individuals who need assistance paying their parking citations. The indigent payment plan is intended to reduce the possibility of a low-income person from incurring additional hardships after they receive citations for parking.

This agenda item supports the following Strategic Goal(s).

- A Port that the public understands and trusts.
- A Port that is a safe place to visit, work and play.

### **DISCUSSION:**

On October 13, 2017, Assembly Bill 503 was enacted by California Legislature, adding Section 40220 of the California Vehicle Code to require parking agencies to offer an indigent payment plan (Plan) in order to assign license plates with delinquent parking citation penalties to the DMV registration hold program. In order to place DMV registration holds, agencies must have a Plan in place commencing July 1, 2018, or DMV holds would be suspended. The legislative purpose of CVC Section 40220 was to remove barriers that prevent low-income persons from registering their vehicles due to unpaid parking citation fines. Adding costs of parking citations to the cost of registering a vehicle may prevent a low-income person from being able to afford their registration fees. Failure to register a vehicle also reduced revenue for the state and local governments and could also result in health and safety issues like uninsured drivers or vehicles that did not meet emissions standards. Additionally, a low-income person who could not afford to pay for their parking citations are subject to additional hardships if they cannot operate their vehicle due to the inability to register their vehicle. Hardships may include unemployment if they do not have transportation and can then lead to scenarios that lead to homelessness.

On June 12, 2018, the Board approved an Ordinance amending Code Section 8.15 - Parking Regulations Enforcement, which added a new sub-section (e) detailing the bellow requirements for this new Plan:

- a) \$5 Administrative Plan processing fee, which is paid by the applicant, to participate in the Plan. This fee is paid directly to the District's citation processing vendor (Data Ticket, Inc.) to administer the Plan.
- b) Maximum Plan repayment timeline of 18 months.
- c) Monthly installment payments of no more than \$25 and a maximum debt limit amount of \$300 for the total debt amount required for a parking agency to offer the Plan to a low-income person, meaning maximum of unpaid parking fines that are eligible for the plan - also known as the "maximum debt limit". The District's maximum debt limit amount was approved at \$450.
- d) All late penalties/fee waived (with the exemption of the \$12.50 State Mandated surcharge). Waived late fees and penalty assessments may be restored if the person falls out of compliance from the Plan.
- e) Application for the Plan must be made within 60 days of parking citation issuance or 10 days of the administrative hearing determination (whichever is later).
- f) Individuals seeking to qualify for this Plan, must provide proof of indigency in one of the seven (7) income requirements set forth in Government Code Section 68632(a):
  1. Supplemental Security Income (SSI)
  2. California Work Opportunity & Responsibility to Kids Act (CalWORKs)
  3. Supplemental Nutrition Assistance Program
  4. County Relief, General Relief (GR), or General Assistance (GA)
  5. Cash Assistance Program for Aged, Blind and Disabled Legal Immigrants (CAPI)
  6. In-Home Supportive Services (IHSS)
  7. Medi-Cal

The Plan became effective July 11, 2018, and to date the District's citation processing vendor (Data Ticket, Inc.) has processed the following:

- 93 Plan Applications
- 69 Approved Plans
- 33 Plans Completed/Paid in Full
- 30 Plans became delinquent and fell out of compliance, but 20 of those have been paid in full

On January 1, 2021, AB 3277 was enacted by California Legislature. The bill revised the guidelines within California Vehicle Code (CVC) Section 40220, relating to collection of parking penalties. It increased the \$300 maximum debt limit amount to \$500 for the total debt amount required for a parking agency to offer the Plan to a low-income person, lengthened the Plan to be available for a

maximum of 24 months from previous 18 months, changed the timeframe a person may request the Plan from 60 to 120 calendar days from the issuance of a parking citation, and clarified that the required website notification of the availability of the Plan must be in a place that is readily accessible in a prominent location on the agency's internet website.

In order to comply with the updated guidelines approved by AB 3277 and incorporated within CVC Section 40220, staff recommends that the Board adopt an Ordinance Amending Code Section 8.15 - Parking Regulations Enforcement to be Compliant with Revisions to the Indigent Payment Plan Requirements within California Vehicle Code Section 40220 Pursuant To Assembly Bill 3277.

### **General Counsel's Comments:**

The Office of the General Counsel has reviewed the agenda sheet and attachments presented to it and approves the same as to form and legality.

### **Environmental Review:**

The proposed Board action, including without limitation, an ordinance amending the parking regulation enforcement code to be compliant with the state indigent payment plan, does not constitute a "project" under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it would not have the potential to result in a direct or indirect physical change in the environment and is, therefore, not subject to CEQA. No further action under CEQA is required.

The proposed Board action allows for the District to implement its obligations under Sections 21, 35, and 36 of the Port Act, which authorize the Board to pass all necessary ordinances for the regulation of the District; the Board to do acts necessary and convenient for the exercise of its power; and the Board to fix rates and charges for District facilities. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board action does not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or exclusion is not required.

### **Equal Opportunity Program:**

Not applicable.

### **PREPARED BY:**

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Attachment(s):

Attachment A: Revised California Vehicle Code Section 40220

Attachment B: Current SDUPD Code, Article 8, Section 8.15 Parking Regulations - Enforcement  
Attachment C: Revised SDUPD Code, Article 8, Section 8.15, Parking Regulations - Enforcement