

Assembly Bill 1082

Ending Poverty Tows

Assembly Member Ash Kalra

SUMMARY

Assembly Bill (AB) 1082 would prohibit “poverty tows,” when a vehicle is towed as a debt collection mechanism due to unpaid parking tickets. AB 1082 would also prohibit immobilizing the vehicle in this case or sending just one unpaid parking ticket to the DMV to place a hold on the driver’s registration renewal. Lastly, the bill would make changes to the parking ticket payment plan program guidelines to make it more workable for low-income Californians.

BACKGROUND

Every year in California, tens of thousands of drivers get their cars towed because they cannot afford to pay their parking tickets. For low-income and working households, the towing of a vehicle is often catastrophic. A tow can mean the total loss of a person’s car because the tow and ticket fees are more than they can afford and sometimes more than what their car is worth. When people lose their cars they often lose their biggest personal asset, their ability to get to work, and their ability to meet basic needs like grocery shopping, taking children to school, or going to medical appointments.

Recovering a vehicle after it has been towed is expensive and complicated. The cost to retrieve a vehicle towed for unpaid tickets can be thousands of dollars, payments out of reach for working and low-income families and individuals. First, the owner must pay all parking penalties, as well as any overdue DMV registrations and fees. Second, they must go to local police to show that they have paid all unpaid fees to get a release, in addition to paying a release fee that can range between \$25 and up to \$300. Finally, the person has to pay for the cost of the tow, daily storage fees, and any processing fees required by the tow yard.

Often, cities do not get to collect the unpaid ticket fees since most low-income drivers’ cars are sold at lien sales and the tow yards keep the proceeds. Allowing tows to collect unpaid parking tickets is a

costly mechanism that does not make our streets safer and does not generate revenue.

SOLUTION

California has been a national leader in ending policies that punish people experiencing poverty, recognizing that these laws do not make individuals more likely to pay, but trap them in debt and create barriers to financial stability. Vehicle tows and immobilizations result in snowballing consequences that threaten people’s stability and wellbeing, as well as undermine our state’s economic equity goals.

AB 1082 will prohibit towing or immobilizing a vehicle due to unpaid parking tickets, increase the number of unpaid tickets from one to eight before the DMV can place a registration hold, and improve the guidelines for parking ticket payment programs. These changes together will help cities actually collect unpaid ticket fees and allow California to once again lead the way in ending poverty tows and helping working families continue to drive to work, pay their rent and bills, and provide for their families.

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