

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: April 20, 2009

Reviewed by: BP

SUBJECT: AUTHORIZATION OF A PARKING FINE FEE INCREASE TO ACCOMMODATE AN INCREASE IN THE STATE COURTHOUSE CONSTRUCTION SURCHARGE, AS PER SENATE BILL 1407

REPORT BY: Mike McQuiston, Chief of Police

STAFF RECOMMENDATION

Approve Resolution No. 09-17 authorizing an adjustment of parking citation fines by \$5.00 to accommodate a \$4.50 increase in the State Courthouse Construction Fee surcharge placed on parking citations.

BACKGROUND

The Trial Court Facilities Act of 2002 was instituted to allow for the collection of a state surcharge from local jurisdictions on all parking citation revenues collected. The amount of the state surcharge has increased periodically since its inception. Initially the money was intended to acquire, rehabilitate, construct or finance court facilities. During calendar year 2008, the State Legislature passed Senate Bill 1407 (Perata) amending Government Code §70732, effectively expanding the uses for the funds to include planning, design and/or leasing of facilities. This change, effective January 1, 2009, increases the dollar amount of the state surcharge by adding \$4.50 in new surcharges to our parking citations.

DISCUSSION

The City of Albany currently pays a \$5.00 surcharge per parking citation that is distributed according to various state mandates:

- \$1.50 - County Criminal Justice Construction Fund
- \$1.50 - County Temporary Courthouse Construction Fund
- \$2.00 - State Construction Funds

An *additional* \$12.50 is taken from certain parking citations that fall under the surcharge requirements enacted by AB 408. None of the aforementioned surcharges have been "passed-through" to traffic violators; the City has borne each of these costs. The effect of the \$4.50 increase as a result of SB 1407 will nearly double the state surcharge on each traffic citation issued by the City, from \$5.00 to \$9.50.

The current rate for parking citation fines generally ranges from \$33 to \$317, with most fines falling between \$33 and \$38.

ANALYSIS

While the surcharge increase totals \$4.50 per cite, staff is recommending the fine be increased by \$5.00 for the following reasons: 1) due to the three month delay in receiving notification from our parking citation processing contractor, we expect to be presented with a retroactive collection of these fees and feel that the additional .50 cents per citation will help offset these unforeseen costs, and 2) as per Vehicle Code §9559, the Department of Motor Vehicles (DMV) recognizes only whole dollar fines and rounds any odd amounts (e.g. a \$24.50 fine becomes \$25), and 3) this adjustment creates additional work in cases where the DMV places a hold on registration due to non-payment of parking citations, but then accepts less than the full fine amount in clearing the hold, leaving our contractor to adjust the remaining balance on each citation in order to clear it from their records. As a result, staff recommends increasing the current parking citation fines by \$5.00 to cover these surcharges.

Staff does not believe it was the intent of the legislators to require that cities absorb the increase in penalty. Due to the fact that parking penalties are collected as civil penalties which are set by local jurisdictions (the dollar amount of Albany's parking violation penalties is set annually in the Master Fee Schedule), staff believes this increase is warranted and fair. The revenue received is deposited into the General Fund.

SUSTAINABILITY IMPACT

Higher penalties for motor vehicle parking violations have the potential to encourage automobile drivers to use modes of transportation that convey less environmental impacts.

FINANCIAL IMPACT

This surcharge, (if not added to our base fines for parking violations) would directly result in reduced revenue to the General Fund. The impact of the proposed increase to parking penalties is intended to be cost neutral to the City, as this increase will offset the increase to the State surcharge on parking penalties issued. While the recommended increase to the parking penalties is slightly higher than the updated State surcharge to keep the City's parking penalty at an even dollar amount, the estimated impact of this is expected to be minimal.

Attachments:
Resolution

City of Albany
Resolution

Resolution No.

A RESOLUTION OF THE ALBANY CITY COUNCIL AUTHORIZING A \$5.00 PARKING FINE FEE INCREASE TO ACCOMMODATE AN INCREASE IN THE STATE COURTHOUSE CONSTRUCTION SURCHARGE, AS PER GOVERNMENT CODE §70372.

WHEREAS, the State of California Legislature has imposed certain State surcharges on parking violations, including an additional four dollars and fifty cents (\$4.50) for courthouse construction through the passage of SB 1407, effective January 1, 2009; and

WHEREAS, the City has established fees for violation of parking regulations; and

WHEREAS, said fees for violation of parking regulations are enumerated in the City of Albany Master Fee Schedule; and

WHEREAS, it is equitable that this new surcharge be added to the total fee so that the City remains revenue neutral;

NOW, THEREFORE, BE IT RESOLVED, that the Albany City Council hereby authorizes an amendment to the Master Fee Schedule reflecting a five dollar (\$5.00) parking fine fee increase to accommodate an increase in the state courthouse construction surcharge.