

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 371

(Senator Della)

Judicial Proceedings

Fines for Parking Violations - Late Fees - Restrictions in Baltimore City

This bill limits the amount and number of late fees that Baltimore City may charge an individual who has failed either to pay a citation for a parking violation or to file notice of intention to stand trial for the violation by the date specified in the citation. Baltimore City may not charge an individual more than one late fee or a late fee that exceeds \$25.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues may be minimally affected to the extent that the number of vehicle registration suspensions by the Motor Vehicle Administration (MVA) changes under the bill. District Court workloads may decrease minimally under the bill due to fewer parking citations being challenged.

Local Effect: Assuming the current late payment fine of \$16 per month remains constant, Baltimore City revenues decrease by about \$5.5 million in FY 2011, which accounts for the bill's effective date, and by about \$7.3 million annually thereafter. If Baltimore City increases the late payment fine under the bill's authorization to \$25 per month, then revenues decrease instead by about \$4.9 million in FY 2011 and by about \$6.5 million annually thereafter. These estimates assume a continuation in the number of parking citations issued and in the share of citations paid late. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Minimal.

Analysis

Current Law: Any State agency authorized by law and any political subdivision of the State may adopt ordinances or regulations that: (1) regulate the parking of vehicles; (2) provide for the impounding of vehicles parked in violation of the ordinances or regulations; and (3) provide for the issuance of a citation by an officer for a violation of an ordinance or regulation that is adopted under the State enabling law.

Local Revenues: Baltimore City requires parking citations be paid within 30 days, which includes a 15-day grace period. In fiscal 2009, Baltimore City received payment on 311,746 parking citations. Of these, 69.3% were paid within 30 days, 9.2% were paid one month late resulting in the issuance of a \$16 fine, and 21.5% were paid two or more months late resulting in the issuance of multiple \$16 fines.

Under the bill, all citations paid late will be subject to only one late payment fine. If the current late payment fine of \$16 is maintained, then assuming a continuation in the number of parking citations issued and in the share of citations paid late, Baltimore City revenues will decrease by about \$5.5 million in fiscal 2011 and by about \$7.3 million annually thereafter, representing an 82.7% decline in late payment fine revenue for the city. If Baltimore City were to increase the late payment fine to \$25, as authorized by the bill, revenues would instead decline by \$4.9 million in fiscal 2011 and by \$6.5 million annually thereafter, representing a 73.0% decline in such revenues.

Legislative Services advises that a substantial portion of total late payment fine revenues are derived from payments made over a year late. In addition, a significant percentage of parking citations issued have never been paid and remain outstanding. Although MVA suspended the registration of 454 vehicles for nonpayment of a parking citation (statewide) in fiscal 2009 in aid of local collection efforts, several thousand citations were paid over a year late in Baltimore City alone and a substantially larger sum likely remain unpaid; for example, in calendar 2006 over 100,000 parking citations were unpaid. Therefore, to the extent that Baltimore City becomes more aggressive in enforcing the payment of parking citations, either to recoup losses under the bill or for other reasons, the estimated revenue decline under the bill may be overstated.

State Fiscal Effect: The bill reduces the maximum penalty for nonpayment of a parking citation, thereby reducing the incentive to pay parking fines. To the extent Baltimore City is more aggressive in enforcing payment of parking citations, TTF revenues may increase due to the collection of additional fees to remove the administrative flag imposed on suspended vehicle registrations. MVA charges \$30 to remove a flag from a vehicle's registration.

Additional Information

Prior Introductions: SB 125 of 2007 received an unfavorable report from the Senate Judicial Proceeding Committee. SB 177 of 2006 received an unfavorable report from the Senate Judicial Proceedings Committee. SB 279 of 2005 passed the Senate and was assigned to the House Rules and Executive Nominations Committee, where no further action was taken.

Cross File: None.

Information Source(s): Baltimore City, Judiciary (Administrative Office of the Courts), Maryland Department of Transportation, Department of Legislative Services

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