

SUBJECT: Authorizing denial of vehicle registration for failing to pay parking tickets

COMMITTEE: Transportation — committee substitute recommended

VOTE: 5 ayes — Krusee, Harper-Brown, Hill, Macias, Murphy

0 nays

4 absent — Phillips, Deshotel, Haggerty, Harless

WITNESSES: For — David C. Dybala, City of Dallas; Mark Mendez, Tarrant County; Don Schwent, Enterprise Rent-A-Car; (*Registered, but did not testify*: Larry Zacharias, Texas Police Chiefs Association)

Against — None

On — Steve Simmons, Texas Department of Transportation

BACKGROUND: Counties act as agents of the Texas Department of Transportation (TxDOT) in renewing vehicle registrations and collecting annual vehicle registration fees. Registrations are renewed by county tax assessor-collectors. Two-thirds of the revenue generated by the fees goes to the State Highway Fund (Fund 6), and one-third is kept by the counties.

DIGEST: CSHB 526 would allow a county assessor-collector or TxDOT to deny vehicle registration to a motorist who failed to pay fines associated with municipal parking violations. The municipality would be authorized to enter into a contract with the county or TxDOT to provide the county or department with information about outstanding fines. Any contract entered into between a municipality and a county or TxDOT would have to be in accordance with laws governing interlocal cooperation contracts (Government Code, ch. 791) and would be subject to the parties' ability to provide or pay for the services required under the contract.

If a municipality entered into a contract under this statute, it would be required to warn a motorist cited for violating an ordinance regulating parking, standing, or stopping of a vehicle that failure to pay accompanying fines could result in the denial of vehicle registration for any vehicle the person owned. This warning could be printed on the citation.

A municipality would be authorized to report unpaid fines for ordinance violations only if:

- the fine was past due;
- the offender did not make a timely challenge of the imposition of the fine;
- the total amount owed for violating ordinances regulating parking, standing, or stopping of a vehicle was more than \$100; and
- the municipality sent a notice via first-class mail informing a person that he or she could be denied vehicle registration for past-due fines.

If a vehicle's registered owner leased or rented the vehicle, a municipality would not be allowed to report outstanding fines to a county or TxDOT if the owner, within 30 days of receiving notice of potential denial of registration, provided documentation proving the vehicle was not under the owner's purview on the date the municipal ordinance was violated. If a lessor or rental owner successfully proved this, the lessee or renter would be considered the owner of the vehicle for purposes of this statute.

A vehicle transferred to, or owned or transferred by, a vehicle dealer would be exempt from this statute.

Once all fines and associated late fees had been paid or dismissed by the municipality, the municipality would be required to notify the county or TxDOT that vehicle registration no longer should be denied under this statute.

The bill would take effect September 1, 2007, and would apply only to violations of municipal ordinances regulating parking, standing, or stopping of a vehicle that occurred on or after that date.

**SUPPORTERS  
SAY:**

CASHB 526 would give cities another tool to collect unpaid parking tickets from drivers who repeatedly ignore parking rules and regulations. The bill would not obligate counties or assessor-collectors to do anything because the contractual arrangement would be permissive. It would help cities tap significant amounts of unrealized revenue to use for the provision of government services.

Those who park illegally not only inconvenience businesses, for which available parking spaces can spell the difference between profit and loss,

but also law-abiding citizens looking for limited parking in busy areas. This bill would target those owing \$100 or more to a municipality in outstanding fines and associated late fees. In Dallas, for example, drivers meeting this criterion owe the city \$19 million in fines. These revenues should be used to benefit law-abiding residents, and CSHB 526 would create an extra incentive for violators to pay their parking fines timely.

Most cities have few practical options for collecting these fines. Some are limited to placing a locking boot on a car with multiple tickets or sending citations by mail. Others can impound vehicles. But these options only affect a fraction of violators because they are triggered by recent violations. A municipality does not have the resources to seek out those who have not paid fines for months or years — nor would such an activity be cost effective even if a municipality did have the resources.

By alerting the public both through a notice accompanying the citation and a subsequent notice mailed to the vehicle's owner, this program would clearly inform drivers of pending consequences. This process also would avoid any concerns about a vehicle owner being punished by mistake or without knowledge of a violation.

Counties and assessor-collectors would not be burdened unnecessarily by this program because the contracts allowed by the bill would not require a county to deny vehicle registration to any particular motorist. As a result, the county assessor-collector would have the discretion, for example, to issue a vehicle registration to a vehicle owner who presented evidence that a violation identified by the municipality either had been paid or was the responsibility of a previous owner. Additionally, it would be in the interest of all parties involved in this agreement and the motorists themselves to create a computer system that was as updated as possible to prevent drivers from being sent to and from city and county offices. For areas with fewer resources, this bill would enable TxDOT to provide technological assistance to develop such a program.

**OPPONENTS  
SAY:**

CSHB 526 would create a bureaucratic headache for drivers and county tax assessor-collectors. The bill would not impose any timeframes for the updating of records, causing difficulty for both drivers and counties. Many people depend on vehicles for their livelihoods, and this bill would take away the ability of some drivers to earn the money needed to pay the fines. It is unknown whether this program in fact would increase the number of people paying parking fines, and it is possible that drivers with large,

outstanding parking fines instead illegally would forgo vehicle registration, exacerbating the financial impact this bill would have on counties and the state for the benefit of municipalities.

This bill would not set any time requirements for municipalities to alert counties of a change in the status of a driver's delinquent fees, and such an omission would cause unnecessary hardship to drivers. Even if a timetable existed, it is unlikely that the system used by counties and municipalities would contain sufficiently up-to-date information necessary to avoid problems. A driver who had recently paid off a fine or one who was trying to register a recently obtained vehicle could wind up in a bureaucratic maze, going back and forth between municipal and county offices to ensure both entities had the proper updated information. Although the bill would exempt vehicle transfers made through dealerships, it would not account for the many vehicles that change hands between private owners, adding yet another hurdle for many people attempting to register vehicles.

Most drivers wait to get their vehicles registered until the last opportunity before a previous or temporary registration is set to expire, and by denying some drivers the ability to register right before the deadline, this bill would force a motorist to either stop driving or violate the law. Every person who opted not to renew the vehicle registration, or was delayed in doing so, would reduce county and state revenue.

Assessor-collectors in counties that opted to participate would be burdened significantly by this program. They would see longer lines, with more angry customers, because they would be denying vehicle registration to people while not being able to provide them any real information as to the current status of their records. Cities have recourse under current law to boot or impound vehicles of frequent offenders, and they can and should use city employees to enforce their own ordinances.