

PRESS RELEASE

For Immediate Release

July 9, 2019

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Bill to Curb Harmful Towing Practices Advances

Legislation ensures towing to improve public safety and traffic flow is prioritized over towing used as a debt collection tool that harms low-income people

Sacramento, CA—Legislation authored by Assemblymember David Chiu (D-San Francisco) to scale back towing practices that harm low-income people passed the Senate Public Safety Committee today. Assembly Bill 516 would eliminate towing conducted to compel payment for unpaid parking tickets.

“Taking someone’s car away for the sole reason of collecting a debt is not going to help that person pay that debt,” said Assemblymember Chiu. “Towing should be used to ensure proper traffic flow and public safety, not to push poor people further into poverty.”

AB 516 will prohibit towing in cases in which the vehicle owner has five or more unpaid parking tickets. The bill also extends the notice period before a tow occurs for vehicles that have been legally parked in the same place for an extended period of time. While current law allows a vehicle to be towed after 72 hours, under AB 516, the time before a tow is extended to five business days with a required notice to the car owner.

For the tens of thousands of middle- and low-income Californians who have had their vehicles towed every year, it can lead to not only the permanent loss of a car, but also the loss of employment, access to school and medical care, and for some, their only shelter.

In California, it typically costs a minimum of \$500 to retrieve a car that has been impounded. If the car was towed in order to collect a debt such as unpaid parking tickets, the owner must first pay off those debts and cover daily vehicle storage fees before they can pay to get their car back from a tow yard, which can approach \$1,500.

Many people do not have the means to pay for such large costs. A recent federal report showed that 40 percent of Americans lack the savings necessary to cover an unexpected expense of \$400. As documented by [Towed Into Debt](#), what this often means is a tow can lead to the permanent loss of a car by the original owner.

When a car owner is unable to pay debts or towing fees, the local government and towing company try to recover those debts by selling the car at a lien sale. However, the costs associated

with the tow, storage, and lien sale fees are often far greater than the amount the vehicles are sold for. Data from municipalities around California show that towed vehicles are usually sold for an average of \$2,000 less than what it costs to tow and store the vehicles.

In San Francisco, half of all vehicles towed for debt collection are sold at lien sales, meaning that half of debt collection tows result in no debt collection. The inability to recover the true cost of the tow -- combined with the fact that a majority of debts are never collected -- makes towing as a debt collection tool incredibly ineffective.

This results in a no-win situation for all parties involved. The car owner has lost one's largest economic asset and is pushed deeper into poverty. The tow yard owners must operate at a loss. The local government is unable to collect the original debt that caused the tow.

This bill leaves intact two dozen other statutory grounds that a local government can rely on to tow a car, ensuring that localities are still able to enforce traffic laws and maintain public safety. If a local government passes an ordinance to enumerate a specific reason to tow, that local ordinance would supercede state law further preserving local control.

Additionally, if AB 516 is enacted, many other enforcement mechanisms will remain to ensure that Californians who are able to afford to pay parking tickets and registration fees are compelled to do so. Local agencies and state government would still be able to intercept tax refunds, suspend a person's license, enter a civil judgment against an offender, or use bank levies and wage garnishments to compel a person to pay parking tickets.

The ACLU of California, Lawyers' Committee for Civil Rights, and Western Center on Law and Poverty are co-sponsoring AB 516.

"California's existing towing practices push people deeper into poverty, while doing nothing to benefit local governments," said Maya Ingram, Legislative Attorney with the ACLU of California. "It's time California put an end to this cruel and devastating practice."

"Half of Americans can't afford an emergency \$500 expense, but cities across California regularly saddle low-income people with thousands of dollars in unconstitutional towing fees," said Elisa Della-Piana, Legal Director of the Lawyers' Committee for Civil Rights. "These tows violate the Fourth Amendment by robbing people of their ability to get to work - and often their only financial asset - solely on the basis of economic status."

"Towing is an unnecessarily harmful way for local governments to enforce non-safety related laws," said Mike Herald, Director of Policy Advocacy of Western Center on Law and Poverty. "It is the equivalent of using a sledgehammer to crack an egg."

AB 516 will now move on to the Senate Appropriations Committee.

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Assemblymember David Chiu (D–San Francisco) is the Chair of the Housing & Community Development Committee of the California State Assembly. He represents the 17th Assembly District, which encompasses eastern San Francisco. Learn more at: <https://a17.asmdc.org/>