

Testimony of Sam Miller
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Before the City Council
Committee on Transportation

on Intro. 312

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Good morning Chairman Liu and members of the Committee. My name is Sam Miller, Assistant Commissioner at the New York City Department of Finance (Finance). Thank you for inviting me to testify today on behalf of Finance Commissioner Martha E. Stark in support of Intro. 312.

The Department of Finance supports the bill to raise the tow threshold from \$230 to \$350, because towing is the most severe collection tool in our toolbox and is just one of the many ways that Finance collects parking fines. As you know, the Finance Department performs two very distinct tasks as it relates to parking tickets: We provide a forum for New Yorkers to contest their parking tickets, and we collect parking fines. More than 80 percent of the people who receive parking tickets pay immediately or “off the windshield.” About 20 percent of the people challenge their tickets and most of them pay after a hearing determination. A small percentage of people do not pay right away, and that’s where Finance’s collection tools kick in.

With support from Mayor Bloomberg, Commissioner Stark has directed Finance staff to make both the adjudication and collection processes as fair and as efficient as possible. For example, two years ago Finance instructed its Administrative Law Judges to dismiss defective tickets even in cases where the owner of the car did not point out the error. That’s because it is important that tickets be written correctly, and no one should have to hire a lawyer or memorize the traffic code to successfully fight a ticket.

Nor should anyone have to wait in line for hours to fight a ticket if they choose to do so in person, which is why Finance just launched a pilot settlement program that has dramatically reduced wait times. Under the

pilot, a person has the option to waive her right to a hearing for all but the most egregious violations and plead guilty with a reduction in the fine. The response to this program has been overwhelmingly positive, and has allowed Finance to shift resources toward making sure that those people who want to see a judge don't have to wait too long, as well as devoting more people to reviewing hearing requests that we receive in the mail.

Raising the tow threshold would be another step toward making the parking system fairer. In October 2002, fines were increased on the most serious violations - generally, "no standing" and "no stopping" violations such as double-parking - from \$50 to \$100. Fines were not increased for other violations, such as expired meters. The increases, the first since 1992, were needed to improve traffic flow and safety. In November 2003, the State raised its surcharge on all parking violations from \$5 to \$15 dollars. Because fines have gone up without a corresponding increase in the tow threshold, drivers reach the tow threshold faster than they did before the fines were raised. In fact, it now takes an average of about two tickets to reach the tow threshold of \$230, whereas it used to take three tickets.

Of course, Finance does not want to encourage anyone to ignore their parking tickets for any amount of time, and most people do pay what they owe before they reach the current \$230 threshold. The threat of towing is one factor, but Finance's other collection tools are also effective. These include the imposition of penalties; regular dunning noticing; and the filing of judgments, which prevent drivers from renewing their licenses.

Three years ago, Commissioner Stark introduced another collection tool that we plan to expand: early warning stickering.

Because towing is such a severe collection method, Commissioner Stark instructed our Deputy Sheriffs to put stickers on cars that were in danger of being towed. The results of this limited pilot have been very encouraging. In Fiscal Year 2003, Finance issued 2,100 stickers and collected an estimated \$301,000 from car owners who paid as a result of being stickered. In Fiscal Year 2004, Finance issued 2,400 stickers and collected an estimated \$345,000 as a result.

Commissioner Stark plans to expand this program across all five boroughs. We believe that this collection method will encourage people to pay their parking debt without having to go through the hassle of recovering their car after it is towed, not to mention the additional fees that drivers must pay to redeem their cars. These fees include a \$150 towing fee, a \$70 execution fee, and on top of that a fee of 5 percent of the total amount collected. For a person who owes \$230 in judgment debt, there would be an additional \$242 in fees, not including approximately \$20 per day in storage.

I should point out that the stickers we use are very easy for the driver to remove, so they serve as a reminder to pay without creating a lasting mark on the windshield.

In conclusion, the Department of Finance supports Intro. 312. Thank you. I would be happy to answer any questions you may have.