

## MEMORANDUM

To: Michael D'Amato, Chair Judiciary and Legislation Committee  
Members of Judiciary and Legislation Committee  
Alderman Terry Witkowski

From: Dorinda R. Floyd  
Administrative Services Director

Date: March 29, 2007

Re: Progress Report on Recommendations of the Outstanding Debt Task Force

We are in receipt of your letter dated March 26, 2007 requesting a status report on recommendations of the Outstanding Debt Task Force that affect the Department of Public Works.

The Department of Public Works is working on a number of initiatives to encourage the payment of outstanding parking citations. All these initiatives were discussed and supported by the Outstanding Debt Task Force. These initiatives are as follows:

### **Legislative Initiatives**

File 051150 adopted by the Common Council directed the Intergovernmental Relations Division to seek introduction of state legislation to implement the recommendations of the Outstanding Debt Task Force. Two legislative initiatives relating to the payment of outstanding parking citations are being sponsored and introduced by Representative Peggy Krusick in the 2007-09 legislative session. The initiatives have been drafted and are currently being circulated by Rep. Krusick for sponsorship.

The first initiative includes establishing a time frame to adjudicate parking citations for cities of the first class. The language would be permissive whereby the city may adopt an ordinance requiring a person who was issued a parking citation to, within 180 days after the parking citation was issued, either pay the citation or make arrangements with the city to contest the citation. If the person fails to comply with any of these provisions within the 180-day period, the person is deemed to have entered a plea of no contest. The court must then accept the plea of no contest, find the person guilty and enter judgment. The

court would be required to mail the person a copy of the judgment along with a statement setting forth the actions the court may take if the judgment is not paid.

The purpose of this legislation is to encourage people to either pay outstanding parking citations or to adjudicate the citations in a timely manner. The outcome of this legislation may reduce the number of vehicle registration holds and, consequently, reduce the number of violations issued for driving or parking without proper vehicle registration or driving with a suspended or revoked driver's license. According to the citation aging report (as of March 2007), it is estimated that over 1.0 million parking citations valued at \$45.3 million are outstanding by more than 180 days. This includes citations issued to in-state and out-of-state license plates.

The second initiative would allow a municipality to adopt an ordinance to allow for the towing and/or booting and impounding of a vehicle for three or more unpaid parking citations and to refuse to release the vehicle until all outstanding parking citations are paid or adjudicated. The language would be permissive whereby a city may tow or boot a legally parked or illegally parked vehicle for unpaid parking citations and hold the vehicle until the citations are paid or adjudicated.

The purpose of this legislation is to tow vehicles that are legally parked and to boot those vehicles that are legally or illegally parked that have three or more outstanding parking citations. As of March 2007, there were 110,776 in-state license plates with three or more outstanding parking citations valued at \$33.3 million and nearly 8,400 out-state license plates with three or more outstanding parking citations valued at \$2.4 million.

Although the City does not currently have the authority to boot or tow legally parked vehicles for unpaid parking citations, the City does have the authority to tow illegally parked vehicles for unpaid citations. Currently, the City of Milwaukee tows vehicles that are illegally parked that have four or more outstanding parking citations. Eventually, DPW would like to lower the number of outstanding parking citations to three. In 2006, 13,416 vehicles that were illegally parked have been towed for unpaid citations. This compares to 10,848 vehicles towed in 2005. In addition, another 3,345 vehicles were towed for being unregistered in 2006, most of which would have been towed for open citations had this new ordinance not been passed in May of 2006.

Once a vehicle has been towed and has five or more outstanding parking citations, the vehicle owner is issued a summons and complaint whereby the owner is scheduled to appear in court to adjudicate outstanding citations. In 2006, 1,470 summons and complaints were issued on 14,444 citations valued at nearly \$620,000. This was one of the few techniques DPW could use to encourage payment and adjudication of outstanding parking citations in a timely manner.

### **Batching Vehicle Registration Holds**

The Outstanding Debt Task Force endorsed an initiative of the Department of Public Works to work with the WisDOT regarding the placement of vehicle registration holds on outstanding parking citations.

Previously, the City paid \$5 to place a registration hold on a vehicle that had at least one parking citation 58 days overdue. If there were multiple citations overdue, the City placed a registration hold on the oldest citation. If a registration hold was placed, the statute of limitations to adjudicate the citation increased from two to six years. In the past, the City requested over 100,000 registration holds per year.

In 2005, the Municipal Court judges issued an order requiring the City Attorney to prevent the filing of any actions in the Municipal Court, which contained parking citations that were more than two years old unless the citations had been submitted to the WisDOT for registration holds. Because it was cost prohibitive for the City to place a registration hold on every outstanding citation, the City negotiated with the WisDOT to allow the City to bundle all overdue citations under one registration hold and one \$5 fee. Consequently, all outstanding parking citations will have to be paid before a vehicle registration hold is released. However, there are outstanding issues that still remain, mainly placing subsequent citations into an existing bundle with no additional fee and receiving vehicle registration hold/release notification. DPW is committed to working with the WisDOT to resolve these remaining issues.

### **Accessing Driver's License Numbers**

A 2006 change in state law and a cooperative working relationship with the WisDOT has allowed the City to obtain driver's license number information as of August 2006. This information is now provided as part of the vehicle registration information received from the WisDOT.

The goal of receiving a driver's license number is to enhance the City's collection rate for the Tax Refund Intercept Program (TRIP). Previously, the Department of Revenue (DOR) would only accept social security numbers, which were difficult to obtain and had to be purchased from third party vendors. The City was only able to receive this data on approximately 52% of all vehicle owners and was only able to certify 47% of those eligible under TRIP. Under a change in state law, the DOR will now accept driver's license numbers.

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On several occasions we have testified publicly that if the City could obtain the driver's license number, we believe we could certify over 90% of those eligible under TRIP. To date, we have been able to certify 93% of those eligible for TRIP. Consequently, in 2006 190,057 citations were certified totaling \$8.2 million. This is a 36% increase over the number of citations certified in 2005. Since 2003 when the City began participating in TRIP, 472,525 citations have been certified totaling \$22.0 million of which 127,976 citations have been intercepted totaling \$6.6 million, or 30% of all debt certified. In short, \$15.4 million has not yet been intercepted, but has been certified. A tax refund can only be intercepted if all the following occurs: (1) the person intercepted files a State Income Tax Form; (2) the person receives a state income tax refund; and (3) the City of Milwaukee DPW is listed first on the intercept list. If the tax refund is not sufficient to cover the total amount of outstanding debt, the person remains certified until all the debt is paid.

In 2003, when the City began participating in TRIP, the City initially intercepted persons with outstanding parking citation balances of \$300 or more due. At that time the City decided to phase in the program due to the large number of outstanding parking citations. Currently all persons with unpaid parking citation balances of \$75 or more are certified with the TRIP. Now that the City receives the driver's license number and has certified all those persons who are eligible to date (the State provided over 600,000 records last September), we have begun working with Citation Management to lower the unpaid balance and begin certification in 2007.

### **Collection Contract**

The Outstanding Debt Task Force recommended that departments with contracts with collection agencies look at collection costs, performance criteria and collection techniques. The City's contract with Citation Management for the processing and collecting of parking citations will expire on May 4, 2008. It is the department's intent to review the contract specifications and incorporate the recommendations, where appropriate, in the new specifications prior to release in 2008.

We hope you find this information helpful. If you have any questions, please contact me at extension 5582. We appreciate the opportunity to respond.

Cc: Jeffrey Mantes, Commissioner