

How Does the City Collect Parking Fines from Delivery Companies and Other Businesses?

Each year hundreds of thousands of citations for parking violations are issued to vehicles registered to companies doing business in the city. Just like an individual receiving a violation, these firms have the right to challenge their tickets. Because of the volume of parking violations issued to vehicles registered to businesses such as United Parcel Service, Federal Express, and others making deliveries or service calls, having even a small percentage of those violations contested in court could overwhelm an already overburdened system.

To reduce the burden on the city's traffic courts the city provides an incentive to businesses that agree not to dispute parking violations. The city currently offers two similar programs that do this: the Commercial Abatement Program for small firms and the Stipulated Fine Program for large companies. Participants waive their right to challenge parking tickets and agree to pay a pre-set, reduced fine amount for each offense. We look at how much the city has collected from the two ticket abatement programs—and how much it may have forgone.

Payments Made by Participants in The Stipulated Fine and Commercial Abatement Programs: 2010-2018

Fiscal Year	Violations Paid	Dollar Payment
2010	832,500	\$54,586,800
2011	812,400	53,634,600
2012	908,700	58,635,000
2013	768,300	48,761,100
2014	900,900	57,214,300
2015	986,600	61,468,900
2016	839,800	54,852,800
2017	727,100	49,751,300
2018	678,100	51,008,600
Average	828,267	\$54,434,822

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- Since 2010, the two abatement programs have averaged over \$54 million in payments annually for about 828,000 parking violations a year. The programs reached their peak revenue in 2015 when they collected over \$61 million for nearly 1 million violations.
- Most of the fine revenue is generated through the Stipulated Fine Program because those businesses generally have many more vehicles. In 2018, 1,362 businesses paid fines through the Stipulated Fine Program while 866 firms paid fines through the Commercial Abatement Program. Ninety-three percent of the revenue collected under the two programs in 2018 came through the Stipulated Fine Program.

Top 10 Participants in the Stipulated Fine Program by Fines Paid Fiscal Year 2018

Business Name	Summons Count	Fines Paid	Maximum Savings
United Parcel Service	254,868	\$14,404,619	\$6,627,851
Federal Express	114,005	6,880,245	4,900,375
Verizon	64,235	2,514,218	2,372,387
Manhattan Beer Distributors	29,421	2,343,538	733,757
Verizon Corporate Services	51,187	2,135,943	1,681,802
Fresh Direct	28,032	1,784,018	1,055,617
US Foods, Incorporated	25,087	1,745,013	823,512
Liberty Coca-Cola Beverages	22,252	1,607,526	685,374
Time Warner Cable of New York	26,828	1,264,634	882,091
Anheuser-Busch Beer Distributors of New York, Inc.	16,834	1,170,614	628,061
Total for Top Ten	635,749	\$35,850,368	\$20,390,827
All Other Stipulated Fine Participants	670,264	\$11,336,632	
Total, Stipulated Fine Program	1,306,013	\$47,187,000	

NOTE: Reported savings assumes that all fines originally imposed would have been paid. It is not based on an actual accounting of the forgone revenue.

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- IBO estimates that the Stipulated Fine Program saved the 10 most heavily fined firms in 2018 as much as \$20.4 million on their summonses. Because the summonses are not contested in traffic court and some of the violations likely would have been dismissed or reduced had they been, it is impossible to determine the amount of revenue the city would have collected without the program in place.

The revenue from the payment of parking violations by participants in either of the abatement programs is only a small fraction of the overall revenue collected from parking violations.

Since 2010, parking violation fine revenue has averaged nearly \$532 million annually. The abatement programs account for about 10 percent of this annual amount. Starting in December, the city increased the pre-set fines for each type of violation and now expects the programs to generate \$11 million more this fiscal year than they did in 2018 and \$17 million more in the following years.

Update: We have updated the summons count and maximum savings amounts to reflect information that the Department of Finance had originally not provided on summonses reduced to \$0 fines.

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SOURCE: New York City Department of Finance

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