



THE CITY OF NEW YORK  
INDEPENDENT BUDGET OFFICE

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**New IBO Report Examines City's Ticketing and Fine Collection**

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**Agencies Often Spend \$2 to Raise \$1**

The New York City Independent Budget Office today released a report examining the revenue potential of the city's system for issuing tickets and collecting fines. The report finds that with the exception of parking violations the money spent on enforcing health, safety, and other regulations exceeds the revenue generated. While the city spent \$0.22 for every \$1 of revenue raised from parking fines in 2002, it cost \$2.09 for each \$1 of other types of fine revenue collected.

"With the city's ongoing budget problems, many people are looking at ways to generate more fine revenue to help close the gap. But our system for enforcing safety and health regulations is not designed to produce revenue. The main goal is to deter, or encourage the correction of, serious violations," said IBO Director Ronnie Lowenstein. "But it may be possible to both improve enforcement and increase revenue by raising the likelihood that fines will actually get paid."

The city issued 9.2 million violations in 2002 and collected \$457.4 million in fines. The Executive Budget for 2004 estimates fine revenue will rise to more than \$660 million.

IBO's report *Is Everything Going to Be Fine(d)? An Overview of New York City Fine Revenue and Collection* describes a patchwork system in which different city agencies have differing abilities to impose and collect fines. For example, the city's Department of Housing Preservation and Development must go to court—a costly and time consuming process—in order to have a violation turned into a monetary penalty. Collection rates on fines vary greatly as well. While about 85 percent of parking fines are paid, only about 25 percent of fines for rodent infestation are collected. The difference in collection rates can be attributed to several factors ranging from ease of payment to the ability of an agency to have an unpaid fine turned into a lien against a violator's property.

City agencies such as the Department of Environmental Protection will often forgo fines in order to spur correction of a violation. Fines for improperly disposing of industrial waste or polluting the water system can be steep—thousands of dollars a day—but they are often lowered or waived entirely as a means of getting a serious violation corrected quickly.

The report also notes discrepancies between the seriousness of some violations and the amount of the monetary penalty. A sidewalk food vendor who refuses to let an inspector check to make sure a cart meets health standards is subject to the same \$25 fine as a taxi driver who wears cut-off shorts.

IBO initiated *Is Everything Going to Be Fine(d)?* at the request of Council Member Alan Gerson. The report includes some conclusions about how net fine revenue could be increased through changes in enforcement practices and cases studies of how five city agencies and the Environmental Control Board levy, collect, and adjudicate fines.

The 28-page report is available on IBO's Web site at [www.ibo.nyc.ny.us](http://www.ibo.nyc.ny.us). To request a free, printed copy call 212-442-0632.