



SB 728 (Lowenthal) Increasing Compliance with CARB's Parking Cash-Out Program

This bill will allow local entities—cities, counties, and air districts—to enforce California's 16-year-old Parking Cash-Out Program. When applied, Parking Cash-Out provides a fair and cost-effective way for employers to reward employees who reduce the need for parking. Parking Cash-Out users typically carpool, ride transit or walk to work, reducing congestion and air and global warming pollution.

Parking Cash-Out is Current Law

California's parking cash-out program was established in 1992 by AB 2109 (Katz), Chapter 554. It was a common-sense response to concerns that employer-subsidized parking distorts the free market for parking. Studies show that employees are more likely to carpool or use transit if they pay for the full cost of any parking spaces they use. By subsidizing parking, employers encourage employees to drive to work alone, contributing to traffic congestion and air and global warming pollution.

Current law requires private and public employers with 50 or more employees who offer free or subsidized parking on leased spaces to also offer a cash allowance equivalent to the subsidy in lieu of the parking space. Where this law has been followed, employers have saved money and employees have reduced both the amount of time they spend behind the wheel and the pollution they produce.

Unfortunately, not all businesses covered by this law follow it. The California Air Resources Board, which administers the law, does not have the resources to enforce it. **This bill would not change basic law, but would give local entities the tools to enforce what is already on the books.**

A Modest Toolbox to Encourage Parking Cash-Out Compliance

Local entities are looking for ways to help reduce air and global warming pollution. While not requiring enforcement of Parking Cash-Out, **SB 728 gives those local entities—cities, counties or air districts—interested in enforcing it the *option* to do so.** Before a local entity may enforce, that entity must adopt an ordinance or resolution,

ensuring sufficient public input. A penalty for employers is *not* required as part of enforcement; compliance with Parking Cash-Out, for example, could be a requirement or condition for other approvals.

Parking Cash-Out Saves Money and Improves Air Quality

Parking Cash-Out works for employees and employers. Where employers provide it, Parking Cash-Out reduces single-occupancy vehicle trips and increases carpooling and transit use. A survey of eight Southern California businesses using the program found a 12% decline in annual vehicle miles travelled, and global warming pollution, per employee per year, and a nearly 10% increase in employees carpooling or using transit.

Free or underpriced worksite parking is unfair to employees who choose not to drive to work and therefore do not enjoy the parking benefit. Parking Cash-Out allows employees to forego driving without foregoing the financial benefits they would get by driving. By providing a fair and equal benefit, Parking Cash-Out puts transportation choices in the hands of individual employees. Employees who carpool, take public transportation or walk or bike to work are effectively rewarded equally to those who drive alone.

Parking Cash-Out can also help reduce the parking requirements of new development, lowering development costs. It can allow employers to expand operations onto property previously committed to parking.

Sponsors

This bill is sponsored by Environmental Defense Fund and the Natural Resources Defense Council.

Contacts for More Information

Justin Horner
Transportation Policy Analyst
Natural Resources Defense Council
415-875-6100
jhorner@nrdc.org

Kathryn Phillips
Director, California Transportation and Air Initiative
Environmental Defense Fund
916-492-7072
kphillips@edf.org