Cities often increase their parking fines when they need more money. Los Angeles, for example, is facing a major budget crisis and increased its fines for all parking tickets by $5, regardless of the violation. This across-the-board hike suggests that the higher fines are more about raising money than about enforcing the law. But a few cities have discovered how to enforce the law and raise money without costing most drivers anything. Cities can achieve these three goals by using graduated parking fines.

Fines are necessary to enforce parking regulations, and enforcement is important because violations have victims. If a driver stays over the time limit, others have a harder time finding a space and businesses can suffer from low turnover. Double parking can block a whole lane of traffic. Illegal parking in a disabled space makes life even more difficult for people with disabilities.

Setting the right fine for each parking violation is complicated because a few repeat violators often account for a large share of all violations. In Los Angeles, for example, 8% of all the license plates that received tickets in 2009 accounted for 29% of all the tickets in that year. In Beverly Hills, 5% of license plates accounted for 24% of all tickets. Californians are not the only serial offenders. In Manchester, NH, 5% of the plates accounted for 22% of all tickets and in Winnipeg, Canada, 14% of the plates accounted for 47% of all tickets.

Most drivers rarely or never receive a parking ticket, and for these drivers modest fines are a sufficient deterrent. But the many tickets for a few repeat offenders suggest that modest fines will not deter drivers who view parking violations as an acceptable gamble or just another cost of doing business. However, if cities raise parking fines high enough to deter the few chronic violators, they unfairly penalize many more drivers for occasional (and often inadvertent) violations.

Graduated parking fines are a way to deter chronic violators without unfairly punishing anyone else. Graduated fines are lenient for the many cars with only a few tickets but punitive for the few cars with many tickets. In Claremont, CA, for example, the first ticket for overtime parking in a calendar year is $35, the second $70, and the third $105. For illegally using a disabled parking space, the first ticket is $325, the second $650, and the third $975.

For minor violations like overtime parking, some cities issue a warning for the first offense and graduated fines for subsequent offenses. The warnings show citizens that the city aims to encourage compliance rather than to raise revenue. Because parking tickets create hostility toward both the enforcement officers and City Hall, a warnings-first policy for minor offenses can reduce political opposition to enforcement. Repeat offenders will pay more but everyone else will pay less.

Until recently, graduated parking fines were impossible because enforcement officers had no way of knowing how many previous tickets a car had received. Now, however, officers carry handheld ticket-writing devices that wirelessly connect to the city’s ticket database. These devices can automatically assign the proper fine for each violation according to the number of previous tickets for the license plate.

A driver who receives many tickets for the same offense is probably either careless, unlucky, or a scofflaw. Risking a ticket may thus be a rational choice. A study by the Boston Transportation Department, for example, found that the price of a ticket multiplied by the probability of citation for illegal curb parking was often less than the price of off-street parking for three or more hours, so the temptation to risk a ticket is strong. Scofflaws can do a simple cost-benefit calculation; they may get a ticket for one in 10 violations, but the conventional fines never increase. Higher fines for serial violators can reduce the total number of violations without harshly penalizing anyone else. Graduated fines are therefore fairer and more effective than flat-rate fines.

Most cities will no doubt continue to rely on parking fines to help balance the budget, but the next time they need more money from this source, cities should increase the fines for chronic offenders without unfairly penalizing everyone else.

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