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Price Doesn't Matter if You Don't Have to Pay: Legal Exemptions and Market-Priced Parking

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PRICE DOESN'T MATTER IF YOU DON'T HAVE TO PAY:

Legal Exemptions and Market-Priced Parking

Michael Manville and Jonathan A. Williams - 2012

Brief By: Nathan Holmes



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RESEARCH TOPIC

If implemented, market-priced parking (also referred to as congestion-priced parking) is generally viewed within transportation circles as certain to succeed at reducing traffic congestion. Yet markets only work when participants have to pay, and this may not be the case if the parking market is distorted by the large number of drivers who avoid payment through either legal means, such as vehicles displaying handicapped placards, or illegal means. In this study, we examined the influence of both legal and illegal non-payment to determine whether such behavior undermines the effectiveness of congestion-priced parking.

RECOMMENDATION

We recommend that cities and states limit or eliminate free parking for disabled placards. In addition to inviting substantial fraud, vehicles displaying disabled credentials play a disproportionate role in reducing the effectiveness of congestion-priced parking.

STUDY

We conducted two separate surveys of parking in the Los Angeles area. The first survey assembled several metrics of parking meter behavior in thirteen different Los Angeles parking zones. We then conducted a continuous observation survey designed to ascertain the duration of time vehicles spent at parking spaces. These surveys, carried out from March to June 2010, covered just under 5,000 meters, or about 13 percent of the city's total amount of curb parking spaces.

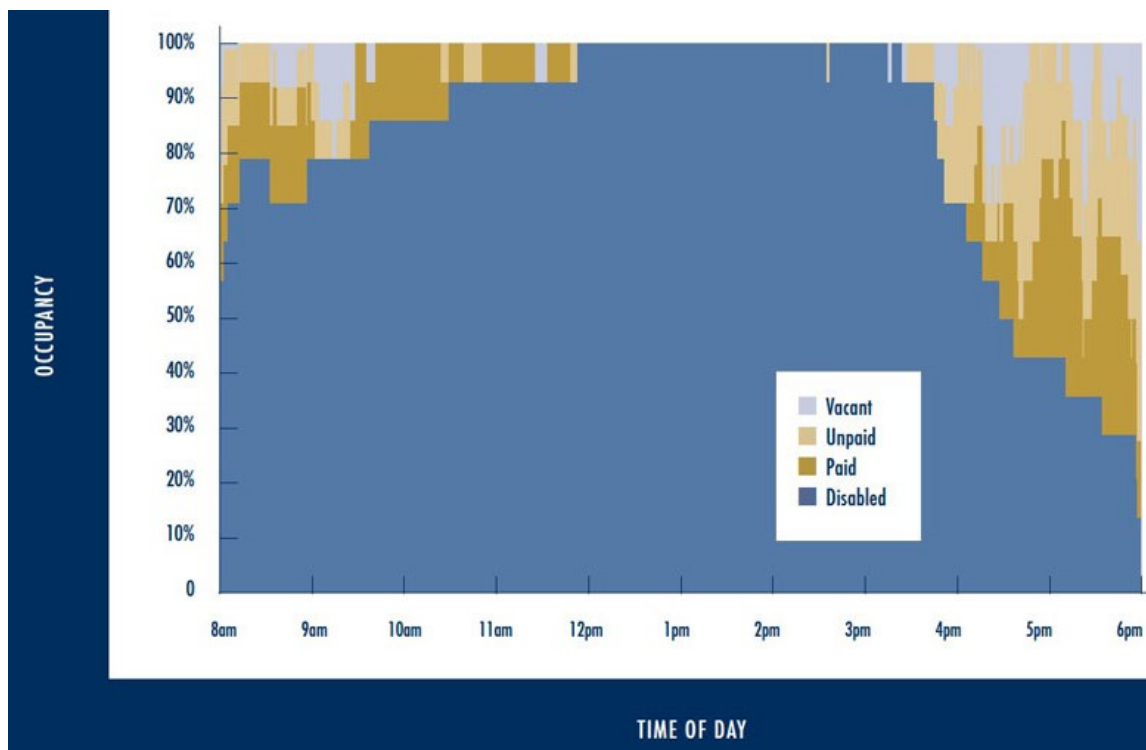


Photo: Eric Bruins

MAIN FINDINGS

- **We observed 61% meter occupancy across all neighborhoods, and found that almost 40% of all vehicles at meters in the study areas were both not paying and not breaking any laws.** This low level of payment is a significant market distortion, and suggests that if more vehicles had to pay, the price of parking would be lower.
- **The majority of non-payment comes from vehicles displaying disabled credentials,** which accounted for 50% of all non-payment- twice the share accounted for by meter scofflaws who park without paying. The remaining 25% of non-payment consists of either people parking at broken meters or vehicles with other exemptions, such as those belonging to civic officials or police.
- **In addition to taking up a large portion of parking spaces, drivers with disabled placards use far longer periods of time.** Vehicles required to pay for parking spent an average of 32 minutes in a spot, while cars with disabled placards spent an average of 229 minutes (about three hours and forty minutes).
- **The law exempting placard holders from payment appears to offer legitimate benefits to only a small group within the disabled population:** disabled people who are poor yet have access to a vehicle (approximately 10% of the disabled population). The parking exemption policy thus offers a benefit to all non-poor disabled people (80% of the disabled population) while at the same time provides no help to the most disadvantaged group of disabled people: those who are poor and do not have access to a vehicle.

Occupancy Rates on Flower Street



Manville, Michael and Jonathan Williams, 2012. "The Price Doesn't Matter If You Don't Have To Pay," *Journal of Planning Education and Research*, vol. 32 no. 3

Manville, Michael and Jonathan Williams, 2013. "Parking without Paying," *ACCESS Magazine*, Spring 2013, #42.