



CITY OF CHICAGO • OFFICE OF THE MAYOR



**FOR IMMEDIATE RELEASE**

July 22, 2020

**CONTACT:**

Mayor's Press Office

312.744.3334

press@cityofchicago.org

**CITY COUNCIL APPROVES REFORM PACKAGE FOR CITY'S VEHICLE  
IMPOUNDMENT PROGRAM**

*New measures to reduce fines, cap storage fees and provide a pathway for residents to pay their debt and retrieve their vehicles*

**CHICAGO** – The City Council today approved Mayor Lori E. Lightfoot's ordinance to overhaul the City's vehicle impoundment program, building on her comprehensive effort to address regressive fines and fees that have caused debt burden for far too many low-income residents. Under this new reform package, the City is providing a pathway for residents to pay their debt by reducing fines, ending impoundment for non-driving related offenses, adding legal defenses for innocent vehicle owners and capping storage fees, which in some cases could increase to tens of thousands of dollars for low-income residents who may not otherwise be able to retrieve their car. All City auto pounds are currently open for residents to redeem vehicles, and residents that cannot afford payment in full can work with the City to establish a payment plan.

"By passing this ordinance, we are helping residents that for far too long have suffered a disproportional impact from an outdated program that too frequently resulted in thousands of dollars in fines and loss of personal property," said Mayor Lightfoot. "Today is another monumental step in our work to right the wrongs of the past and offer assistance to residents that need it the most, but while we take this step today, we also realize that there is still work to be done and will remain diligent in our approach to build a fairer, more equitable Chicago."

In 2011, the City doubled nearly all fines for the vehicle impoundment program, in an effort to generate \$14 million in revenue. However, revenue for the vehicle impoundment program actually decreased, going from \$15.9 million in 2010 to \$14.9 million in 2019. Many of the vehicles that have not been redeemed are cars owned by individuals who don't have the ability to pay increased fines as well as tens of thousands of dollars in storage and other costs. Most vehicles that have been held for extended periods have accrued tens of thousands of dollars in storage fees, and the City does not currently have a limit on storage fees that can be charged.



The ordinance includes provisions to address some of these most regressive parts of the impoundment program, including:

- **Reduces Fines & Caps Fees:**
  - Returns some fines to lower rates and caps storage fees at \$1000
  - Ends the practice of charging storage fees when individuals are unable to redeem their cars that are in possession of the Chicago Police Department during an investigation
- **Narrows Scope of Offenses Eligible for Impoundment:**
  - Ends the practice of impoundment for many non-driving and non-public safety-related offenses, such as possession of fireworks (for non-commercial use) and loud music
  - Ends impoundment for driving on a suspended license due to City debt
- **Adds New Defenses to Avoid Impoundment:**
  - Establishes legal defenses, such as an “innocent owner” defense to allow individuals to redeem their car if it was used without their knowledge, or when they provide the car should not have been impounded in the first place

“The evidence is clear: when cities rely on police to generate revenue through fines and fees, it's a lose-lose situation for both residents and their local governments,” said Priya Sarathy Jones, National Policy and Campaigns Director at the [Fines and Fees Justice Center](#). “This is an important step to improve Chicago's economy and to roll back policies that result in unnecessary encounters between police and residents.”

The financial impact is projected to be minimal, as revenue from the vehicle impoundment program has continuously declined since 2011 despite the increase of fines, and these new reforms are designed to increase the likelihood that individuals will redeem their cars when they are impounded. The City had previously lost millions of dollars in potential revenue due to a sharp increase in bankruptcies that were created as an unintended consequence of previous changes to the vehicle impoundment program.

The City’s former, historically regressive fines and fees system, resulted in Cook County being the nationwide leader in Chapter 13 bankruptcies, with roughly two-thirds of the bankruptcies including vehicle debt to the City of Chicago. Over the first year of her administration, Mayor Lightfoot has made Chicago one of the largest cities in the nation to comprehensively tackle fines and fees reforms.



CITY OF CHICAGO • OFFICE OF THE MAYOR



Last year, the Chicago City Council approved an initial fines and fees reform package, the City's first step to ending the harmful enforcement practices that have historically impacted financially challenged communities at disproportionate levels. The policies included input from dozens of advocacy groups and city departments, which were all members of the Fines, Fees & Access Collaborative, formed in December 2018 and led by City Clerk Anna M. Valencia.

"This ordinance is another step in reforming an extremely complex system that has plagued our most vulnerable communities for decades," said Clerk Valencia. "I commend Mayor Lightfoot on her efforts to take swift action on this issue. There is still a lot of work to be done, but I'm hopeful and thankful for the momentum we have for fines and fees reform."

Chicago has already provided critical relief to many residents by implementing new practices which include: eliminating City sticker ticket debt for those who can least afford it; reduction of excessive late fees on the City Sticker program; elimination of license suspensions for non-driving violations; launch of a series of new payment plans that expand the options for paying off debt; and new pathways to compliance to help residents who are eligible avoid any number of the devastating consequences of onerous city debt – including water shut offs, tows and impoundment, and more.

"I applaud Mayor Lightfoot for this monumental reform package that will build a more equitable, fair program that no longer lays excessive fines and fees on the backs of those who can least afford it," said Ald. Gilbert Villegas (36<sup>th</sup> Ward). "In just over a year, this administration has made Chicago a national leader when it comes to ending harmful enforcement practices and creating pathways to economic stability for residents with outstanding fines."

Those who may need assistance with outstanding debt are encouraged to visit New Start Chicago, a source found on the City of Chicago's website that provides information on payment plans, hardship qualifications and other FAQs related to fines and fees reforms. By clicking here, [www.Chicago.gov/newstartchicago](http://www.Chicago.gov/newstartchicago), residents can sign up for flexible payment plans for tickets and utility bills with a lower down payment and up to 60 months to repay amounts due. Residents can learn more or make payments online at [Chicago.gov/finance](http://Chicago.gov/finance).

###