

THE CITY OF NEW YORK  
INDEPENDENT BUDGET OFFICE

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April 5, 2023

VIA EMAIL

Council Member Gale Brewer  
[gbrewer@council.nyc.gov](mailto:gbrewer@council.nyc.gov)

Dear Council Member Brewer,

At your request, IBO has calculated the amount of money in unpaid fines and charges owed to the city. IBO examined three primary sources of delinquent accounts: (1) parking and camera-generated violations, (2) lienable property charges, and (3) penalties adjudicated by the Office of Administrative Trials and Hearings (OATH) incurred over the past six calendar years, from 2017 through 2022.

We estimate that the total unpaid amount from these three sources since 2017 is more than \$2.1 billion. This includes more than \$1 billion in parking and camera-generated fines, more than \$150 million in lienable property charges, and about \$940 million in penalties adjudicated by OATH. These three measures are by no means exhaustive, and are likely an undercount of the total amount of debt that the city is owed. Some examples of what is not included here are sales, income, and business taxes, as well as unpaid sewer and water charges. While there are certainly underpayments in these categories, estimating the amount is beyond the scope of this project. For the fines and charges that are included, IBO has neither examined the cost of increasing enforcement or collection, nor what the success rate of any increases may be.

If you have any questions or would like additional information, please feel free to contact me at [louisac@ibo.nyc.ny.us](mailto:louisac@ibo.nyc.ny.us), Jacob Berman at [jacobb@ibo.nyc.ny.us](mailto:jacobb@ibo.nyc.ny.us), or Bernard O'Brien at [bernado@ibo.nyc.ny.us](mailto:bernado@ibo.nyc.ny.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Louisa Chafee".

Louisa Chafee

Director

## MEMORANDUM

**To:** Louisa Chafee, Director

**From:** Jacob Berman, Assistant Director, and Bernard O’Brien, Senior Budget and Policy Analyst

**Date:** April 5, 2023

**Subject:** Total Cost of Three Selected Categories of Unpaid Fines and Charges in New York City

At the request of Council Member Brewer, the Independent Budget Office (IBO) has calculated the funds owed to the city in delinquent accounts. IBO estimates that the total amount of unpaid fines and charges that originated over six calendar years from 2017 through 2022 is more than \$2.1 billion. This includes more than \$1 billion in parking and camera-generated fines, more than \$150 million in lienable property charges, and about \$940 million in penalties adjudicated by the Office of Administrative Trials and Hearings (OATH). This updates [previous research](#) performed at Council Member Brewer’s request in 2011. These three measures are by no means exhaustive, and are likely an undercount of the total amount of debt that the city is owed. Some examples of what is not included here are sales, income, and business taxes, in addition to unpaid water and sewer charges. While there are certainly underpayments in these categories, estimating the amount is beyond the scope of this project. The purpose of this exercise is to calculate the amount of money owed to the city in unpaid balances, not to evaluate the collectability of any of these accounts; IBO has neither examined the cost of increasing enforcement or collection, nor what the success rate of any increases may be.

**Parking and Camera-Generated Violations.** The first category that IBO examined includes unpaid fines for parking violations as well as camera-generated fines for speeding, running red lights, and unauthorized use of bus lanes. As of March 10, 2023, there were over \$1.0 billion in unpaid fines imposed in 2017 through 2022.

<b>Unpaid Fines for Parking and Camera-Generated Violations Exceed \$1 Billion</b>				
<i>Dollars in millions</i>				
<b>Calendar Year of Violation</b>	<b>Total Fine Amount*</b>	<b>Paid Amount</b>	<b>Unpaid Amount</b>	<b>Percent Unpaid</b>
2017	\$795	\$715	\$80	10%
2018	834	749	85	10%
2019	903	811	92	10%
2020	846	726	119	14%
2021	1,141	864	276	24%
2022	1,283	916	367	29%
<b>TOTAL</b>	<b>\$5,802</b>	<b>\$4,782</b>	<b>\$1,020</b>	

SOURCE: IBO analysis of NYC Open Data Open Parking and Camera Violations and Department of Finance data  
 NOTES: Includes parking violations as well as camera-generated violations for running a red light, bus lane violations, or speeding in a school zone. Totals may not add due to rounding.  
 \*Total fine amount includes original fine amount as well as subsequent penalties and interest for nonpayment. Data are as of March 10, 2023.

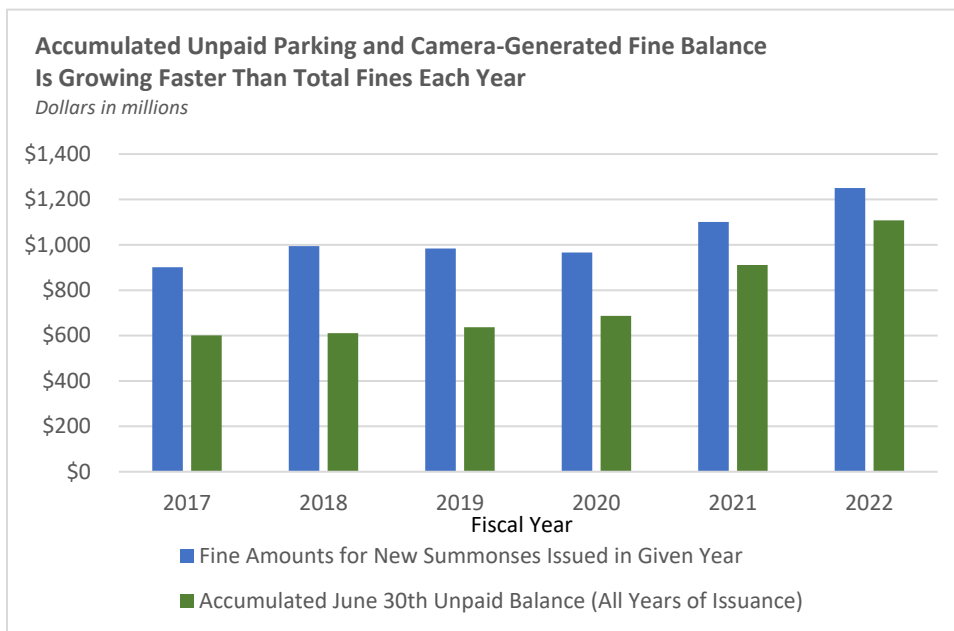
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The total amount of parking and camera-generated fines issued increased substantially over the study period due primarily to the deployment of additional red light, speeding, and bus lane cameras on city streets, as well as expanding the times when these cameras can operate. Fine issuance declined in 2020 at the beginning of the Covid-19 pandemic when alternate-side parking rules were suspended, and fewer cars were on the roads overall.

For fines issued prior to 2020, about 10 percent remain unpaid. The share of outstanding fines increases for violations issued from 2020 through 2022. It is likely, however, that the city will collect more of these funds over time as additional payments are made on violations issued in more recent years. That said, there is evidence that a larger proportion of fines have not been paid over time.

The growth in unpaid parking and camera-generated fines can be seen in the New York City Comptroller’s Annual Comprehensive Financial Report (ACFR). The ACFR publishes data on the point in time cumulative balance of all unpaid parking and camera-generated fines as of June 30<sup>th</sup> each year. The annual outstanding balance was relatively flat between 2017 (\$601 million) and 2020 (\$687 million), meaning that in each of those years, the amount of new fines was approximately balanced out by the amount of fines that were paid.

As the total number of fines issued for parking and camera-generated violations increased in 2021 and 2022, so did the cumulative outstanding balance. However, the cumulative amount of unpaid fines grew at a faster rate than new fines—indicating that a higher share of fines are going unpaid in the two most recent years. The cumulative unpaid fines for parking and camera-generated violations grew by 33 percent to \$911 million in 2021, and again by 21 percent to \$1.1 billion in 2022, while the amount of new fines increased by 14 percent in each year.



NOTE: The ACFR reports their totals based on fiscal years not calendar years, so the yearly fine amounts (the leftmost bars) in this chart do not exactly match the table above as a result.

**Lienable Property Charges.** The second category of unpaid accounts are lienable property charges. These refer to charges billed to property owners in New York City, which if left unpaid, can result in a lien being placed against the property. Liens can make it more difficult for owners to secure financing and complicate the sale of a property. If the lien remains unpaid, then the lienholder can eventually begin foreclosure proceedings.

IBO examined lienable charges resulting from unpaid bills levied by the Department of Housing Preservation and Development (HPD), and the Department of Finance (DOF), as these are by far the two largest categories of lienable charges. HPD charges primarily result from unpaid emergency repair bills, when a property owner fails to repair an emergency housing code violation the city does it and bills the owner through its Emergency Repair Program, as well as fees charged through the Alternative Enforcement Program. The DOF charges are primarily unpaid property taxes. As of January 12, 2023, there were over \$150 million in unpaid lienable property changes incurred from 2017 through 2022, according to DOF data. Other types of property liens, including water bills processed through the Department of Environmental Protection, fines from the fire department (including for obstructed fire escapes), and fines from the Department of Health and Mental Hygiene (including for rats), are not included in this analysis due to data limitations; these are all other sources of funds owed to the city, however.

<b>Unpaid Lienable Property Charges Rose Sharply in 2019, then again in 2021/2022</b>							
<i>By Calendar Year Originally Due (2017-2022), dollars in thousands</i>							
<b>Department / Agency</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total (2017-2022)</b>
Housing Preservation & Development	\$5,292	\$4,400	\$21,933	\$4,513	\$40,505	\$30,603	\$107,246
Department Of Finance	237	268	2,597	6,213	16,554	20,783	46,651
<b>Total</b>	<b>\$5,528</b>	<b>\$4,668</b>	<b>\$24,530</b>	<b>\$10,726</b>	<b>\$57,058</b>	<b>\$51,386</b>	<b>\$153,897</b>

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Unpaid lienable property charges totaled less than \$6 million in 2017 and 2018 before jumping to almost \$25 million in 2019. In 2020, there were fewer HPD violations issued due to the pandemic, which is why the total amount owed fell to under \$11 million for that year. In 2021 and 2022, there are over \$50 million owed to the city in each year. Across all years in these two agencies, 70 percent of the total unpaid lienable property charges were from HPD, with the remaining 30 percent in DOF.

**Penalties Adjudicated by the Office of Administrative Trials and Hearings (OATH).** The third and final category of delinquent charges that IBO examined are from the Office of Administrative Trials and Hearings (OATH), an independent administrative tribunal. There are more than 20 city agencies that issue notices of violation for various public safety and quality of life violations that are adjudicated by OATH. There are a wide variety of violations for which citations can be issued, with the most common being uncleaned sidewalks, improper storage of receptacles, illegal posting of handbills, loose rubbish, residential recycling violations, and sidewalk obstructions. Unlike the lienable charges described above, these are not limited to property owners. These data show that there were over \$939 million in penalties adjudicated by OATH originating from 2017 through 2022 that remained unpaid as of October 27, 2022.

<b>Unpaid Penalties For Violations Adjudicated by OATH Are Mostly On The Rise Through 2021</b>							
<i>By Issuing Agency and Calendar Year of Violation, dollars in thousands</i>							
<b>Issuing Agency</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total (2017-2022)</b>
Department of Buildings	\$50,966	\$95,201	\$142,843	\$114,903	\$180,592	\$42,776	\$627,280
Department of Sanitation	11,717	12,557	13,861	14,209	15,418	9,193	76,956
Fire Department	10,306	9,779	13,520	13,558	17,421	12,269	76,853
NY State Bail Enforcement Agents	8,963	8,978	8,585	3,811	7,059	3,466	40,863
Department of Environmental Protection	4,772	6,574	8,213	6,937	12,085	4,758	43,339
Department Of Health and Mental Hygiene	7,915	6,721	6,496	1,964	5,885	7,072	36,053
Department of Transportation	2,943	3,249	3,044	1,701	3,383	4,602	18,921
New York City Police Department	2,471	1,907	1,562	1,251	1,583	1,513	10,287
Department of Parks & Recreation	1,319	767	560	336	367	209	3,557
Other Agencies and Organizations	841	1,012	264	977	1,303	834	5,230
<b>Grand Total</b>	<b>\$102,212</b>	<b>\$146,746</b>	<b>\$198,950</b>	<b>\$159,647</b>	<b>\$245,096</b>	<b>\$86,691</b>	<b>\$939,340</b>
SOURCE: IBO analysis of Office of Administrative Trials and Hearings (OATH) data in obtained from Open Data in a file entitled OATH Hearings Division Case Status							
NOTE: Reflects unpaid fines as of October 27, 2022. Totals may not add due to rounding.							

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More than two thirds of the total amount of the unpaid penalties were issued by the Department of Buildings—a total of \$627 million in 2017 through 2022. The issuing agencies with the next highest unpaid penalties were the Department of Sanitation, and the Fire Department, with just under \$77 million in unpaid penalties each since 2017.

Unpaid OATH penalties had a relatively small downturn during the beginning stage of the pandemic in 2020. Apart from 2020, penalties adjudicated by OATH steadily increased through 2021, similar to the trend in unpaid parking enforcement and camera-generated fines. One note is that since these data were pulled on October 27, 2022, data for the final two months of 2022 is missing, and so that year is not directly comparable to the previous ones.

**Conclusion.** Overall, IBO found that there is a total of more than \$2.1 billion in unpaid balances due to the city that were incurred from 2017 through 2022 in connection with the three areas: parking and camera violations, lienable property charges, and penalties adjudicated by OATH. These three measures are by no means exhaustive, and therefore are likely an undercount of the total amount of debt that the city is owed. IBO has neither examined the cost of increasing this enforcement or collection, nor what the success rate of any increases may be.