



**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
AUGUST 19, 2004**

SUBJECT: TRANSIT COURTS

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file report on transit courts.

ISSUE

As part of the Board Chair's directive, staff was asked to look into the feasibility of establishing an MTA transit court. This report provides a brief overview of the transit court concept and its use in New York.

DISCUSSION

A transit court would provide direct responsibility and control over the adjudication of citations issued for violations of a passenger code of conduct, the collection of fines and the assignment of community service. It is proposed that the MTA pursue the ability to adjudicate citations issued on the Metro transit system in house.

Citations for fare evasion, vandalism, graffiti, parking violations, and quality of life issues such as smoking, eating, littering, and loitering are currently issued by MTA's contracted police force, the Los Angeles County Sheriffs Department Transit Services Bureau. Superior Court judges at approximately 20 different courts within Los Angeles County hear matters related to transit violations. The judges have wide latitude in imposing fines and may also levy community service or other dispositions in lieu of monetary fines. It is rare that the maximum fine is imposed.¹ Staff's analysis shows that the average revenue per citation collected over the last six years is \$12.62 (\$3,921,230 collected from 309,980 citations issued).

The general belief is that transit matters tend to receive insufficient attention and focus. Superior Court judges hear a wide variety of matters, ranging from minor cases to major, complex cases. In this environment, transit infractions may not be considered a priority. Staff researched other systems in place around the United States and found only one agency with a "transit court" in place, New York City's MTA. The Chicago Transit Authority is

¹ Statutory fines vary widely and can range up to \$250.

currently in the process of conducting a feasibility study to create such a court. According to the Deputy General Counsel of Enforcement and Investigations at the Chicago Transit Authority (CTA) Law Department, CTA plans to complete the study by Fall 2004.

In the 1980's, New York City Transit Authority (NYCTA) faced many of these same issues currently faced by MTA. The NYCTA Transit Adjudication Bureau (TAB) was created in 1984 through an act of the state legislature to assist in the effort to combat fare evasion, vandalism, graffiti and other violations of NYCTA rules. Prior to TAB's creation, all such notices of violations were made returnable in the New York City criminal courts where, because of other priorities, they frequently received insufficient attention. The concept of TAB was to create a forum, which would allow greater focus on these issues. According to TAB Executive Director Dorothy Samuel, the ultimate goal was not to increase revenue from citations, but to increase safety on the system by improving enforcement of summonses and giving the agency a wider range of recourses.

TAB is an administrative tribunal in which those who wish to challenge a summons are afforded the opportunity to do so, either in person or by mail. TAB maintains a panel of more than 40 hearing officers, consisting of attorneys who serve by retainer agreement, to adjudicate these matters. An internal appeal process to a panel of three hearing officers exists for the benefit of those who wish to challenge the initial determination. Those who remain dissatisfied with the final TAB administrative disposition may seek relief in the courts.

For those who seek to disregard the summons, TAB pursues a collection process, which includes the utilization of letters, telephone calls, and default judgments where all else fails.

Since its inception, TAB has functioned as a mostly outsourced operation, managed and supervised by four transit authority staff, with most of its day-to-day activities performed by an outside vendor. According to TAB's Executive Director, the bureau currently has a staff of 45 contracted employees, working in 6 units handling hearings, public inquiries, payment, collections, and administrative functions.

By statute, all revenues derived by TAB are applied to security-related functions of NYC Transit. TAB has served as one of the tools that have been utilized by NYC Transit and the NYC Police Department in their highly successful war on fare evasion and crime over the past two decades. Since 1990, major felonies on the subway system have declined by 78.8%; fare evasion has been reduced by 94% (from 5.91% to .36%)

At the time the TAB was created, only about 10 percent of the more than 200,000 transit tickets issued each year were paid. Most fare evaders and other rule violators ignored summonses because the criminal courts rarely sent marshals to enforce them. The legislation gave the TAB the power to attach bank accounts and garnish wages. Beginning in 1996, TAB obtained statutory authority to recover on outstanding judgments from state tax refunds otherwise payable to individuals in default on TAB violations. By 1996, the ticket payment rate had improved to 26% and by 2001 it jumped to 57%. Since then, it has varied, declining to 52% in 2002. NYCTA staff theorizes that this variation is due to changes in local economic conditions.

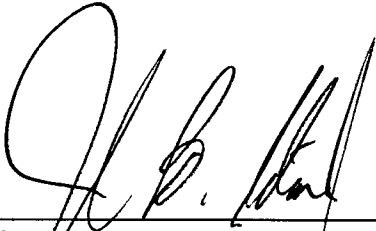
For most of its early history, TAB's expenses exceeded its revenues. That circumstance changed around 1995, when surpluses were first realized. In 2002, the agency collected \$6.2 million in fines, while spending approximately \$4 million to hold hearings and collect fines.

NEXT STEPS

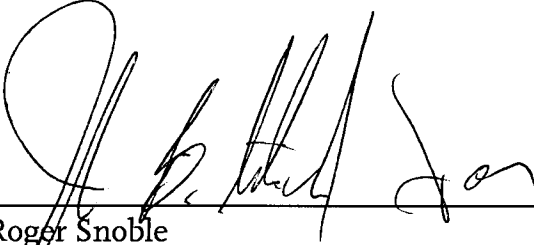
If the Board desires to pursue the transit court concept further, staff will need to identify the costs to do an in-depth study and if necessary, seek Board approval for any increase to the FY05 budget. Once the costs have been determined and at Board's direction, staff will initiate the analysis. It is anticipated that the analysis will include, but not limited to the following:

- Program goals
- New legislative actions required (to create the transit court, to allow the MTA board to set the fines and receive 100% of the base fine)
- Amendments to existing law required
- Organizational requirements (structure, staffing)
- Cost/Benefit Analysis
- Alternative approaches

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