

September 2, 2022

Governor Gavin Newsom  
1303 10th St., Suite 1173  
Sacramento, CA 95814

**SUBJECT: Requesting signature on SB2206 (Lee)**

**Via email to: [leg.unit@gov.ca.gov](mailto:leg.unit@gov.ca.gov)**

Dear Governor Newsom:

I am writing to encourage your support of AB 2206 (Lee). AB2206 defines how to determine an employer “parking subsidy” for the purpose of calculating cash payment that qualifying employees may receive under California’s parking cash-out law. This clarification will make it easier for employers to comply with the parking cash-out law and help jurisdictions enforce the law appropriately.

The parking cash-out program was enacted three decades ago in 1992 (AB 2109, Katz). It requires certain employers who provide subsidized parking for their employees to offer a cash allowance in lieu of a parking space. Where it has been implemented, this law increased employee choice by allowing employees wishing to travel to work by means other than solo-driving to give up their parking spaces and receive their parking subsidy in cash.

Eight case studies of employers who implemented parking cash-out demonstrate that this policy can deliver great results. This research found the following: “After cashing out, solo driving to work fell by 17 percent. Carpooling increased by 64 percent. Transit ridership increased by 50 percent. Walking and bicycling increased by 33 percent. Commuter parking demand fell by 11 percent.”<sup>1</sup> In addition to these positive case studies, a 2002 Legislative Analyst Office (LAO) report indicated that parking cash-out is inexpensive to administer and offers many benefits, including easing traffic congestion, improving air quality, reducing greenhouse gas emissions, promoting social equity, and supporting investments in other modes of travel.<sup>2</sup>

Despite the evidence that parking cash-out programs reduce emissions, reduce congestion, and improve commuter choice, many employers do not comply with the existing parking cash-out law. In part, this is due to the difficult nature of calculating the value of employee parking when it is included with the total cost of office rental space. Thus, ambiguity about the value of parking subsidies is one reason that Californians are not reaping the demonstrated benefits of the parking cash-out program.

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<sup>1</sup> Shoup, Donald C., 1997. "Evaluating the Effects of Parking Cash Out: Eight Case Studies," University of California Transportation Center, Working Papers qt5nc6w2dj, University of California Transportation Center.

<sup>2</sup> [https://lao.ca.gov/2002/parking/031802\\_cash\\_or\\_parking.pdf](https://lao.ca.gov/2002/parking/031802_cash_or_parking.pdf)

By defining how to calculate commuter parking subsidies, and by requiring that employers inform eligible employees about their rights to receive a parking cash-out, AB 2206 facilitates compliance with existing law so the state can realize the traffic congestion relief and air pollution benefits that the parking cash-out program has shown it can deliver.

For these reasons, we ask that you promptly sign AB 2206 into law. Please contact me at [jkass@spur.org](mailto:jkass@spur.org) for any questions about our position or analysis.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathon Kass". The signature is fluid and cursive, with the first name being more prominent.

Jonathon Kass  
Transportation Policy Manager, SPUR