




The Authority of Local Governments in Determining Parking Retribution Rates

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Abstract

Introduction: The imposition of parking retribution fees represents one of the local government's authorities in managing Regional Original Income (PAD). In the City of Medan, the parking retribution policy plays a strategic role in both service management and local fiscal policy.

Purposes of the Research: This study aims to analyze the authority of the Medan City Government in setting parking retribution rates and to evaluate the legal basis and implementation of such authority.

Methods of the Research: The research applies a normative and empirical juridical approach by using document analysis and interviews with the Medan City Transportation Department and local parking users.

Results Main Findings of the Research: The authority to determine parking retribution rates is regulated under Law Number 28 of 2009 concerning Regional Taxes and Levies and further stipulated through Medan City Regional Regulations. However, implementation issues arise due to weak socialization, rate inconsistencies, and insufficient supervision, leading to potential revenue leakage.

Keywords: Local Government Authority; Parking Retribution; Tariff Regulation.

Submitted: 2025-06-17

Revised: 2025-07-19

Accepted: 2025-07-29

Published: 2025-07-31

How To Cite: Fahmi Sahil Lubis, Muhammad Rizal. "The Authority of Local Governments in Determining Parking Retribution Rates."

PAMALI: Pattimura Magister Law Review 5 no. 2 (2025): 322-329. <https://doi.org/10.47268/pamali.v5i2.3216>

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INTRODUCTION

Local governments play an important role in managing local original revenue sources (PAD) to support development and public services. One significant source of local revenue is regional levies mesh, including parking fees. Parking retribution is a charge imposed on the use of parking facilities provided by the local government or other parties in cooperation with the local government. The determination of parking retribution tariffs must comply with applicable laws and regulations and consider the community's ability and aspects of justice.

The authority of local governments in setting parking retribution tariffs is based on several regulations. Law Number 28 of 2009 on Regional Taxes and Regional Retribution provides a legal basis for local governments to collect parking retribution as one of the sources of PAD (Regional Original Revenue). Additionally, Law Number 23 of 2014 on Regional Government emphasizes regional autonomy in managing regional resources and revenues, including the determination of parking retribution tariffs. Government Regulation Number 66 of 2001 concerning Regional Retribution also provides technical guidelines regarding the types and rates of retribution that can be collected by local governments.

Medan City, as the capital of North Sumatra Province, has regional regulations governing parking fees. Medan City Regional Regulation Number 10 of 2011 concerning Parking Tax stipulates provisions regarding the objects of parking tax, subjects of tax, tax rates, and procedures for collecting parking tax. This regulation was later amended by Medan City Regional Regulation Number 1 of 2017 to adjust to the developments and needs of the community. Additionally, the Medan City Regional Regulation Number 2 of 2014 concerning Parking Service Retribution in Medan City specifically regulates parking retribution, including retribution rates and collection mechanisms.¹

One important aspect of implementing regional autonomy is the authority of the region to manage its own revenue sources. This authority is the essence of regional fiscal independence, which allows local governments to optimize their regional revenue potential. Based on Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, parking fees are one of the potential sources of Original Regional Revenue (PAD) that can be optimized.

Medan City, as one of the metropolitan cities in Indonesia, faces complex challenges in the organization and management of parking. The growth in the number of motor vehicles that is not proportional to the availability of parking space has caused various problems, ranging from traffic congestion to disorderly competition for parking spaces.² This has prompted the Medan City Government to regulate parking management through Regional Regulations.

A juridical analysis of the authority of local governments in setting parking retribution tariffs includes a study of the conformity of regional regulations with higher legislation. In the context of the City of Medan, the determination of parking retribution tariffs must refer to Law Number 28 of 2009 and other related regulations. In addition, it should be noted that parking retribution rates must not exceed the maximum limit set by the central government. Research on parking fees in Banda Aceh City shows that the determination of parking fees must consider aspects of legality, community capability, and its contribution to PAD.³ This is relevant for Medan City in evaluating the current parking fee policy.

The determination of parking retribution tariffs by the local government is part of efforts to increase PAD and support regional development. This authority is based on legislation that grants autonomy to local governments in managing revenue sources. However, the implementation of parking fee policies must consider aspects of legality, effectiveness, and public response. The case study of the Medan City Regional Regulation shows that adjustments to parking retribution tariffs need to be made carefully, taking into account the applicable regulations and the socio-economic conditions of the community. Thus, a legal analysis of the authority of local governments in setting parking retribution tariffs is important to ensure policies that are fair, effective, and in accordance with legal provisions.

In addition, the legal aspects related to parking fees also need to be examined in relation to the principles of good governance, which include transparency, accountability, and public participation. The process of setting parking retribution rates in the city of Medan should involve academic studies, public consultations, and considerations of the social and economic impacts on the community. However, in practice, the determination of tariffs is

¹ Sinurat, A. M. (2019). Implementasi Peraturan Daerah No 2 Tahun 2014 Tentang Retribusi Daerah Di Bidang Perhubungan (Studi Di Dinas Perhubungan Kota Medan).

² Simbolon, E. B. (2024). Tinjauan Yuridis Terhadap Parkir Liar di Kota Medan. *UNES Law Review*, 11980-11991.

³ Fazaki, R. (2020). Tinjauan Yuridis Terhadap Restribusi Parkir dalam Meningkatkan Pendapatan Asli Daerah di Kota Banda Aceh (Ditinjau dari Undang-Undang Nomor 28 Tahun 2009 tentang Pajak Daerah dan Retribusi Daerah).

often done unilaterally by the local government without going through mechanisms that adequately involve public participation. This condition has the potential to create controversy in the community and reduce public trust in local government policies. Therefore, a legal study on the authority of local governments in setting parking retribution tariffs is very important to ensure that the policies implemented are in accordance with applicable legal principles and do not create disparities in public services.

This research aims to legally analyze the authority of the Medan City Regional Government in setting parking retribution tariffs based on the applicable Regional Regulation. The analysis is conducted by examining the aspects of legality, proportionality, and effectiveness of setting parking retribution tariffs within the framework of regional autonomy and good governance. The research results are expected to provide both theoretical and practical contributions to the development of administrative law, particularly regarding the authority of local governments in managing parking fees as a source of local revenue.

METHODS OF THE RESEARCH

The research approach used in this study is an empirical juridical approach.⁴ This approach aims to assess the extent to which normative legal provisions, such as Regional Regulations (Perda) on parking fees, are effectively implemented in practice within the community. Not only limited to the analysis of legislation, this approach also evaluates the impact of the implementation of the law in the field. This research is descriptive-analytical in nature, which means it focuses on the depiction and analysis of legal phenomena, particularly those related to the determination of parking retribution tariffs by local governments. With this method, researchers can identify various issues that arise in the implementation of the policy as well as provide a comprehensive overview of the effectiveness and challenges faced. The sources of data used consist of primary and secondary data. Primary data were obtained through interviews with officials from the Medan City Transportation Agency, parking attendants, and the public who use parking services. Meanwhile, secondary data include relevant legislation, such as Law Number 28 of 2009 on Regional Taxes and Regional Levies, as well as other official documents. Data collection techniques include literature study, namely the review of literature, journals, and legal documents related to parking fees and regional government authority, as well as structured interviews with relevant parties to obtain more in-depth information regarding the implementation of the parking fee regional regulation in Medan City.

RESULTS AND DISCUSSION

A. The Authority of the Medan City Government in Setting Parking Fee Tariffs According to the Medan City Regional Regulation on Parking Fees

The Medan City Government has the authority to set parking retribution rates as part of efforts to increase Local Revenue (PAD). This authority is regulated through various regional regulations that govern the types and forms of parking retribution. A comprehensive understanding of this authority is important to ensure that the policies implemented align with the needs of the community and support the city's development.⁵ The authority of the Medan City Government in setting parking retribution tariffs is based

⁴ Abdulkadir, M. (2004). *Hukum dan Penelitian Hukum*. Bandung: Citra Aditya Bakti, 134.

⁵ Hamidun Batubara, M. L. (2019). *Kajian Potensi Retribusi Parkir di Kota Medan*. Semnastek Uisu, 2-7.

on several regional regulations that provide the legal foundation for the implementation of these retributions. One of the main regulations is the Medan City Regional Regulation Number 10 of 2011 concerning Parking Tax, which was later amended by Regional Regulation Number 1 of 2017. These changes reflect the city's efforts to adjust parking tax policies to the evolving needs and conditions of the community.

In addition, the Medan City Government also implemented Medan Mayor Regulation Number 45 of 2021 concerning Public Parking Procedures. This regulation governs the mechanisms for public parking implementation, including the determination of tariffs and the payment systems used. The implementation of this regulation aims to improve the efficiency of parking management and maximize parking fee revenue.⁶ Parking fees in the city of Medan consist of several types designed to accommodate various parking needs of the community. The types of parking fees include: 1) Parking Service Retribution on Public Roads: This retribution is imposed on vehicle users who utilize parking facilities on public roads. The retribution rates are determined based on the type of vehicle and the duration of parking;⁷ 2) Subscription Parking Fee: The subscription parking system allows vehicle users to pay a certain amount for parking fees for a period of one year. The subscription parking rates effective from July 1, 2024, are Rp90,000 per year for two-wheeled vehicles, Rp130,000 per year for four-wheeled vehicles, and Rp170,000 per year for six-wheeled vehicles; 3) Parking Fees with the Conventional Payment System: In addition to the subscription system, the Medan City Government also implements a conventional parking payment system. The latest rates based on the Medan City Regional Regulation Number 1 of 2024 are Rp3,000 for two-wheeled vehicles and Rp5,000 for four-wheeled vehicles; 4) Electronic Parking Fee (E-Parkir): To improve efficiency and transparency in parking management, the Medan City Government has implemented an electronic-based parking system. Parking fee payments are made electronically using QRIS or electronic cards. The implementation of E-Parking is regulated by the Medan Mayor Regulation Number 45 of 2021 concerning Public Parking Procedures.

The implementation of parking fee policies in Medan City faces various challenges that require special attention. One of the main challenges is the low public awareness of the importance of paying parking fees in accordance with the applicable regulations. This can hinder the government's efforts to increase PAD through the parking sector. In practice, the implementation of parking fees in Medan City faces various challenges. One of the identified issues is the lack of proper parking management, which causes traffic congestion, unfriendly behavior from parking attendants, and the presence of illegal parking. Highlighting that the lack of parking space and supervision of illegal parking are the main contributing factors to the problem. This research recommends training for parking attendants on proper vehicle arrangement, strict law enforcement against illegal parking, and the provision of an online complaint platform for the community.⁸ In addition, the implementation of an electronic parking system (E-Parkir) also faces obstacles, such as the lack of public knowledge in using digital payment systems and the continued presence of parking attendants who accept cash payments. To overcome these obstacles, intensive socialization and training for parking attendants and the community of parking service

⁶ Kelvin Sulystio, T. I. (2024). Analysis of Implementation of Electronic-based Parking Retributions (EParking) to Medan City Regional Revenue. *Al-Muhtarifin: Islamic Banking and Islamic Economic Journal*, 59-71.

⁷ Medan, P. K. (2024). Peraturan Daerah Kota Medan Nomor 1 Tahun 2017 tentang Perubahan atas Peraturan Daerah Nomor 10 Tahun 2011 tentang Pajak Parkir.

⁸ Irwansyah, M. D. (2023). Problematika Retribusi Parkir Di Kota Medan Berdasarkan (Peraturan Wali Kota Medan Nomor 50 Tahun 2014 Tentang Penyelenggaraan Perparkiran). *Jurnal Pendidikan dan Konseling (JPDK)*, 5(2), 2649-2654.

users are needed. To improve efficiency and convenience in parking fee payments, the Medan City Government through the Transportation Agency has implemented two on-street parking payment systems, namely: 1) Conventional Parking: This system allows parking service users to pay fees in cash to official parking attendants in the field according to the rates set in Regional Regulation No. 1 of 2024; 2) Subscription Parking: This system offers convenience for vehicle users by paying an annual parking fee. The subscription parking fee is set at Rp90,000 per year for two-wheeled vehicles, Rp130,000 per year for four-wheeled vehicles, and Rp170,000 per year for trucks or buses. Vehicles that have used the subscription parking barcode sticker will not be subject to conventional parking fees.

The Medan City Government has clear authority in setting parking fee tariffs, regulated through various regional regulations and mayoral decrees. The types of parking fees implemented include fees for on-street parking services, subscription parking, parking with a conventional payment system, and electronic-based parking. Nevertheless, the implementation of this policy faces challenges that require collaborative efforts between the government and the community to enhance the effectiveness of parking management and its contribution to PAD.

B. How Local Governments Can Optimize Improvements in the Parking Fee Setting Mechanism

The local government of Medan City faces a significant challenge in optimizing the parking tariff determination mechanism to be not only fiscally efficient but also fair, transparent, and encouraging public compliance. Improvements in this mechanism are important because parking fees are one of the strategic components of Local Revenue (PAD) that are often not optimally managed due to leaks, lack of monitoring systems, and discrepancies between potential and actual revenue realization. In this context, the first step that can be taken is through a comprehensive evaluation of the existing parking policies, as exemplified by the Transportation Agency of Bandar Lampung City, which evaluates parking fees in terms of effectiveness, efficiency, adequacy, and equity. They successfully increased PAD with a computerized parking strategy, the establishment of a special UPT, and a clear collection mechanism.⁹ The city of Medan can adopt a similar approach by forming a special task force focused on optimizing parking through the integration of technology and transparency in the tariff system.

Furthermore, the government needs to align local policies with national regulations and ensure that the parking tariff determination formula reflects fairness and proportionality. This is considering the case that occurred in the city of Malang, where the harmonization between central and regional policies regarding retribution tariffs (in the context of telecommunication towers, but the principle is similar) became an issue due to differing interpretations of the Ministry of Finance circular.¹⁰ By adjusting local parking tariff policies based on national regulatory references and the socio-economic conditions of the Medan community, the regulations set will be more legitimate and widely accepted by the public. In its implementation, a cost-based pricing and competition-based pricing approach, as applied in the city of Bandung for industrial service industries, can also serve as a reference in setting parking tariffs based on actual cost structures, land utilization rates, and

⁹ Suhendra, M. A. (2015). Evaluasi Pemungutan Retribusi Parkir Oleh Dinas. (*Doctoral dissertation, Universitas Lampung*).

¹⁰ Pramulia, A. N. (2018). Harmonisasi Surat Edaran Menteri Keuangan S-209/Pk. 3/2016 Tentang Tarif Retribusi Pengendalian Menara Telekomunikasi Dengan Peraturan Walikota Kota Nomor 6 Tahun 2013 Tentang Penyelenggaraan Menara Telekomunikasi (Studi Di Kantor Pemerintah Daerah Kota M. (*Doctoral dissertation, Universitas Brawijaya*).

comparisons with similar cities.¹¹ In addition to adjusting tariffs, the Medan City Government also implements two parking payment systems, namely Subscription Parking and Conventional Parking. In the Conventional Parking system, vehicle users pay parking fees directly to official parking attendants on-site. Meanwhile, the Subscription Parking system allows vehicle users to pay parking fees monthly by purchasing subscription parking barcode stickers that are valid at all roadside parking locations in Medan City.

However, the implementation of this policy faces several challenges. The Ombudsman of the Republic of Indonesia requested the Medan City Government to review the subscription parking policy, citing the lack of socialization and clarity in the implementation mechanism of parking stickers. They emphasized the importance of transparency and effective communication with the public regarding the procedures and applicable regulations. To support this policy, strategic measures are needed such as improving parking infrastructure, training for parking attendants, and more intensive socialization to the public regarding the new parking system and rates. Periodic evaluations of the implementation of this policy are also important to ensure effectiveness and efficiency in parking management in the city of Medan.

The optimization of parking tariff determination mechanisms also requires the digitalization of monitoring and payment systems. As described in the research on the self-assessment parking tax system in Surakarta City, the implementation of a self-reporting system by business operators has proven effective in improving the accuracy and efficiency of collection, especially if supported by strict supervision from the local tax authorities.¹² The city of Medan can develop an electronic parking application system that not only records payments in real-time but also provides performance reports for parking operators, thereby significantly reducing the potential for revenue leakage. On the other hand, the aspect of human resource competence is also crucial. Research in Lampung shows that although the regional accounting system has been implemented well, the lack of human resource competence is the main obstacle in improving the quality of regional financial reports.¹³ Therefore, training and capacity building for parking management personnel are essential prerequisites for system improvement. To optimize the parking tariff setting mechanism, the Medan City government needs to conduct a systemic evaluation based on effectiveness, efficiency, and social justice; align local policies with national regulations; involve public participation; strengthen the digitalization of the collection system; enhance human resource capacity; and explore private cooperation schemes to support professional and sustainable management.

CONCLUSION

Based on the research results regarding the authority of local governments in setting parking retribution tariffs in Medan City, it can be concluded that the Medan City Government has full authority regulated legally through the Regional Regulation (Perda) on parking retribution. This authority is part of the implementation of regional autonomy granted by Law Number 28 of 2009 on Regional Taxes and Regional Retribution. In this context, the Medan City Government plays the role of policymaker, determining the amount

¹¹ Jatnika, R. A. (2019). Analisis Biaya Jasa Layanan. *Sistemik: Jurnal Ilmiah Nasional Bidang Ilmu Teknik*, 7(1), 21-29.

¹² Rahmawati, S. (2009). Mekanisme self assesment system pajak parkir dan kontribusinya bagi pendapatan asli daerah kota Surakarta tahun anggaran 2004-2008.

¹³ Novitasari, E. (2014). Pengaruh Penerapan Sistem Akuntansi Keuangan Daerah Dan Kompetensi Sumber Daya Manusia Terhadap Kualitas Laporan Keuangan Pemerintah Daerah (Studi Empiris pada 13 Satuan Kerja Perangkat Daerah (SKPD) Pemerintah Kabupaten/Kota Se-Provinsi Lampung). (*Doctoral dissertation, Fakultas Ekonomi dan Bisnis*).

of parking retribution fees based on considerations of regional revenue needs, the socio-economic conditions of the community, and the services provided. However, in its implementation, various obstacles affecting the effectiveness of the parking tariff policy are still found, such as a lack of transparency, weak supervision, and minimal public participation in the tariff-setting process. Therefore, local governments need to optimize the parking tariff determination mechanism through a more participatory, data-based approach, while considering aspects of justice and public service. Improvement of parking management, enhancement of service quality, and integration of information technology into the parking system are also important steps to support transparency and accountability. These efforts are expected to create a parking retribution system that not only increases local revenue but also provides direct benefits to the community of service users

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