

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 10, 2007

TO: Honorable Kevin Bailey, Chair, House Committee on Urban Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3620 by Raymond (Relating to revenue collected from certain traffic penalties by municipalities.), **As Introduced**

The revenue gain to the state would depend on the number of municipalities that install a photographic traffic signal enforcement system, the number of intersections at which a system would be installed, the number of violations that occur, and the total amount of fines and fees collected, of which 35 percent would be submitted to the state.

The bill would add Section 542.405 to Subchapter D of Chapter 542, Transportation Code, to require a municipality in which a photographic traffic signal enforcement system is used to enforce compliance with the instructions of a traffic control signal to send to the comptroller on a quarterly basis an amount equal to 35 percent of all revenue derived from civil or administrative penalties collected. The comptroller would deposit the money to the credit of the general revenue fund.

The bill would apply only to revenue received by the municipality from the imposition of a civil or administrative penalty on or after the effective date of the bill, which would be September 1, 2007.

Local Government Impact

There are 21 Texas cities that have implemented or are in the process of implementing "photographic traffic signal enforcement systems," also known as red-light cameras. The revenue loss would vary by municipality, depending on the number of cameras in place, the number of violators, and the amount of fines and fees collected. To provide an example, the Comptroller of Public Accounts contacted several municipalities that have or are planning to use red-light cameras.

The system in the City of Garland has been in operation the longest. The city generated over \$1 million in the first year of operation (2004), followed by \$1.4 million in 2005, the first full year of operation. Since then, revenues have dropped substantially, with receipts of \$0.8 million in 2006 and \$0.09 million for 2007 year-to-date.

The cities of Plano, Denton, and Richardson are in the first year of system implementation, but their data are insufficient to forecast revenues at this time. For reference purposes, Richardson and Plano have generated \$660,000 and \$560,000, respectively, since March 2006. Based on the monthly data from Richardson, revenues already may have peaked in October 2006. These data are gross revenue and do not include expenses.

Source Agencies: 304 Comptroller of Public Accounts

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