

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 26, 2007**

**TO:** Honorable David Dewhurst , Lieutenant Governor, Senate  
Honorable Tom Craddick, Speaker of the House, House of Representatives

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

**IN RE: SB1119** by Carona (Relating to the authority of a local authority to implement a photographic traffic signal enforcement system; providing for the imposition of civil penalties; providing a criminal penalty. ), **Conference Committee Report**

**The fiscal impact on the state and units of local government cannot be definitively estimated because it is unknown how many cameras might be installed, how many municipalities would install them, at what schedule, and at what allowable expense, among other factors.**

**Although the bill would not make an appropriation, it would establish the basis for an appropriation.**

The bill would add Chapter 707 to Title 7 of the Transportation Code to authorize a local governmental entity to by ordinance implement a photographic traffic signal enforcement system (system) and provide that the owner of a motor vehicle is liable to the local government for a civil penalty if the vehicle is operated in violation of the instructions of that signal. If a contract is entered into for the administration and enforcement of the system, a local authority would be prohibited from agreeing to pay the contractor a specified percentage of, or dollar amount from, each civil penalty collected.

Provisions of the bill would establish requirements related to installation and operation of a photographic traffic signal enforcement system, as well as required ordinance provisions and procedures for violation notices. Among the requirements would be that the entity conduct a traffic engineering study of the approach at which a system would be installed to determine whether, in addition to or as an alternative to the system, a design change to the approach or a change in the signalization would likely reduce the number of red light violations at the intersection. The local authority would be required to report results of the study to a citizen advisory committee appointed to advise on the installation and operation of the system. Certain criteria must be met in selecting an intersection at which a system would be installed.

The local government would be required to install signs along each roadway that leads to an intersection at which a system is installed to indicate the presence of a system.

In addition to conducting a traffic engineering study, before installing a system, the local authority would be required to report the number and type of traffic accidents that occur at the intersection in the period of at least 18 months before the date of the report. After installation, the authority would be required to monitor and report annually to the Texas Department of Transportation (TxDOT) the number and type of traffic accidents at the intersection to determine whether the system results in a reduction in accidents or their severity. The report must be in writing in the form prescribed by TxDOT. Not later than December 1 of each year, TxDOT would be required to publish the information from the report.

The system shall be used for detecting signal violations only. It would be a Class A misdemeanor to use a system to produce a recorded image other than in the manner and for the purpose specified in the chapter.

Persons in receipt of a notification of a violation of a photographic traffic control signal enforcement system would be allowed to contest imposition of a civil penalty by filing a written request for an administrative hearing. A hearing officer designated by the local government entity would conduct the hearing. The hearing officer's decision may be appealed to a justice court located in the county in which the local government entity is located, or if the local entity is a municipality, in a municipal court within the municipality.

Under the provisions of the bill, if the owner of a motor vehicle is delinquent in the payment of a civil penalty, the county assessor-collector or the TxDOT would be authorized to refuse to register the motor vehicle alleged to have been involved in the violation.

The bill would define system expenses and allow local authorities to retain certain expense amounts before remitting 50 percent of the net revenues to the state for deposit in a Regional Trauma Account. The remainder, after expenses and remittance to the state, would be deposited into a special account in the local treasury to be used for traffic safety programs. Under the bill, the maximum civil or administrative penalty would be \$75; and the maximum late penalty would be \$25.

The bill would allow the Comptroller to audit local authorities and impose a penalty equal to twice the amount of the money retained in excess of permissible amounts for retention.

The bill would add Chapter 782 to the Health and Safety Code to create General Revenue Account—Regional Trauma Account to receive the remittances. Money in the account would be dedicated and could only be appropriated to the Health and Human Services Commission to make distributions to trauma service area regional advisory councils to fund uncompensated care provided by designated trauma centers. The distributions would be proportional to the amounts deposited to the account by local authorities.

The bill would take effect September 1, 2007.

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. Therefore, the fund, account, or revenue dedication included in the bill would be subject to funds consolidation review by the current Legislature.

According to TxDOT, the fiscal impact to the state regarding refusal to register a motor vehicle would depend on the number of counties that would establish a camera system and of those, how many would contract with TxDOT for reporting remarks under the agency's "Scofflaw" program. Based on current registration and denied registration figures, TxDOT assumes there could be 4,834 denials under provisions of the bill. It is anticipated that any loss in revenue and programming costs associated with denying vehicle registration for violations under the bill could be absorbed within existing resources.

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.

Regarding revenue for both the state and local governments, 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.

Because the amount of revenue would vary, the fiscal impact to the state cannot be determined.

## **Local Government Impact**

Fiscal impact regarding a revenue remittance system is indicated in the examples above. Because the fiscal impact would vary, the fiscal impact to units of local government cannot be determined.

The fiscal impact on units of local government regarding installation, operation, enforcement, and studies of a photographic traffic control signal enforcement system would vary. If a local government entity already has camera systems installed or if an entity does not plan to install camera systems, there would be no fiscal impact. If a local government entity plans to install a camera system upon enactment of the bill, the entity would incur costs associated with conducting a traffic engineering study as well as the costs of equipment and installation of the equipment. Those costs, which would be the most significant costs of establishing a camera system, would vary depending on how many intersections would be studied and how many cameras would be installed. Costs associated with other requirements for ordinances and enforcement would be insignificant. There could also be a loss of revenue for vehicles not allowed to be registered.

The City of Houston (2000 census population of nearly 2 million) estimates conducting a traffic engineering study would cost approximately \$10,000 per intersection. The city has 30 camera systems installed; had the provisions of the bill been in effect prior to installation, the city would have incurred an additional \$300,000 in expenses for the engineering study alone. The City of Sherman (2000 census population of 35,082) estimates if the city were to establish a camera system, the cost of photographic enforcement devices would be \$4,000 each, for a total of \$48,000 for one intersection.

Most counties that responded to an inquiry about the fiscal impact of the bill indicated they would not set up a traffic camera system. However, Bexar County (2000 census population of almost 1.4 million) provided a fiscal impact estimate based on installing 13 traffic signals at a cost of \$975,000, but did not have an estimate for the cost of a traffic engineering study, or maintenance and enforcement.

**Source Agencies:** 304 Comptroller of Public Accounts, 601 Department of Transportation

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