

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 1, 2009

TO: Honorable Yvonne Davis, Chair, House Committee on Urban Affairs

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

IN RE: HB2639 by Isett (Relating to the power of a local authority to enforce compliance with speed limits or a traffic-control signal on a highway or street under its jurisdiction by an automated traffic control system.), **As Introduced**

Based on analysis by the Comptroller of Public Accounts, no fiscal implication to the State is anticipated.

The bill would repeal Section 29.003(g), Government Code; Chapter 782, Health and Safety Code; Sections 542.405 and 542.406, Transportation Code; and Chapter 707, Transportation Code, as well as amend other sections of the Transportation Code. Repeal of and amendments to these statutes would result in prohibiting a local government authority from implementing or operating an automated photographic traffic control system. The statute that created Regional Trauma Account No. 5137 would be repealed, as would statutes authorizing deposits to the account from fines and fees collected by local governments operating an automated photographic traffic control system.

Regional Trauma Account No. 5137 was established as a dedicated account in the General Revenue Fund with the purpose to fund uncompensated care of designated trauma facilities and county and regional emergency medical services. Because the Health and Human Services Commission (HHSC) has never received appropriation authority to expend funds collected in this account, according to the agency, repeal of Chapter 782, Health and Safety Code, should have no fiscal impact to HHSC or to the Department of State Health Services (DSHS). DSHS would have to repeal rules related to use of the funds, but the agency reports there would be no fiscal impact related to those administrative procedures.

Per health and human services contacts, the Comptroller of Public Accounts reported that no revenue from Regional Trauma Account No. 5137 was expected and none was included in the 2010-11 Biennial Revenue Estimate. Although the statute that created the account would be repealed, the Comptroller reports that the bill does not abolish the account and the estimated balance at the end of Fiscal 2009 of \$3,867,000 would remain in the account. According to the Comptroller, there would be no fiscal impact to the state.

Local Government Impact

Most of the local government entities that currently operate or have expended funds to begin implementing a photographic traffic signal system would experience a negative fiscal impact.

Two cities, Denton and Lubbock, that implemented a system reported they are already experiencing a negative fiscal impact from operating the system because the number of violations have declined, resulting in reduced revenue. Therefore, the provisions of the bill would not have a direct fiscal impact on those cities. The City of Lubbock removed the cameras after 6 months because of net losses. The City of Denton continues to use the system because, as per the vendor contract, net monthly losses are absorbed by the vendor.

The City of Houston reports the revenue loss from discontinuing its photographic traffic signal system would be \$10.7 million in fiscal year 2010 and \$10.6 million for the four subsequent fiscal years, based on current revenue collections.

The City of Arlington projects a revenue loss of \$1.5 million for fiscal year 2010, based on current average receipts.

The City of Garland reports that the city would incur a one-time termination cost for discontinuing the program of \$319,952. The city estimates revenue losses of \$1.4 million in fiscal year 2010, declining each year thereafter to \$840,000 in fiscal year 2014.

The City of Sugarland reports it would lose \$400,000 in revenue per year.

The revenue loss to each affected local government entity would vary depending on the number of systems in place and the number of traffic violations enforced through the photographic system.

Source Agencies: 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 537 State Health Services, Department of

LBB Staff: JOB, DB