LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 28, 2011

TO: Honorable David Dewhurst, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: **HB1517** by Isaac (Relating to the disposition of fines for traffic violations collected by certain counties and municipalities.), **Conference Committee Report**

Depending upon the number of counties that would participate, the amount of their budgets, and the amount of any qualifying fines collected, there could be an indeterminate revenue impact to the state.

The bill would amend the Transportation Code to authorize counties with a population of less than 5,000 and the commissioners court of the county by resolution elects to spend the revenue in a manner other than as provided, to retain from fines collected for violations of highway law, an amount equal to 30 percent of the county's revenue for the preceding fiscal year from all sources, other than federal funds and bond proceeds. After retaining that amount, a county would remit any portion of a fine or special expense collected that exceeded $1 to the Comptroller. A county could use the fine collected from a violation of a highway law as the county determined appropriate.

In any fiscal year that a county retained an amount equal to at least 20 percent of the county's revenue for the preceding fiscal year from all sources, other than federal funds and bond proceeds, a county would be required to send a copy of the county's financial statement and a report showing the total amount collected from fines and special expenses to the Comptroller not later than 120 days after the last day of a county's fiscal year.

Under current statute, all municipalities or counties are required to use a fine collected for a violation of a highway law under Title 7 to construct and maintain roads, bridges, and culverts; to enforce laws regulating the use of highways; and to defray expenses for county traffic officers.

A local governmental entity would be required to pay the costs of an audit conducted by the Comptroller if it is determined during an audit that the entity is retaining more than 20 percent or is not in compliance with the reporting requirements.

Other provisions of the bill would apply only to a municipality with a population of more than 1,000 but less than 1,200 and the boundary is a river that forms part of the boundary between two counties.

The bill would specify that Subsections (g) and (f) expire on September 1, 2021.

According to the analysis of the Comptroller of Public Accounts (CPA), the U.S. Census Bureau's April 2010 census population count indicated there were 51 counties with a population of less than 5,000. Because the counties that would participate, the amount of their budgets and the amount of any qualifying fines collected are unknown, the fiscal implications to the state cannot be determined. CPA reported there would be no administrative costs.

Local Government Impact

There could be a positive fiscal impact to an applicable county to retain the allowable amounts from specified sources, but the amounts would vary depending on the amount of revenue received from fines and special expenses. In addition, some of the revenue would offset costs incurred. No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KJG, TP, SD