

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 20, 2011

TO: Honorable Harold V. Dutton Jr., Chair, House Committee on Urban Affairs

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

IN RE: HB1561 by Orr (Relating to the authority of a municipality to implement a photographic traffic signal enforcement system and impose civil penalties.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time because it is not known if any localities will discontinue the use of photographic traffic signal enforcement systems (systems) as a result of the bill. If any systems are discontinued a revenue loss to the state would occur.

The bill would amend the Transportation Code to authorize the governing body of a local authority by ordinance to implement a photographic traffic signal enforcement system and impose a civil penalty on a driver that violates the signal instructions if the ordinance is approved at an election by the majority of voters.

The State receives 50 percent of the proceeds from civil penalties relating to the operation of photographic traffic signal enforcement systems (systems) for deposit in the Regional Trauma Account 5137 and any impact on local revenue would also have an impact on State revenue. The amount of revenue loss would vary depending upon the number of citations issued by localities that discontinue a system.

Local Government Impact

There would be costs to a municipality that currently operates a photographic traffic signal enforcement system to hold an election to approve of the system; however, those amounts would vary depending on the number of registered voters in each locality. Based on costs reported to the Secretary of State (SOS) in 2010 by a sampling of counties, municipalities, and special districts, the average cost incurred by a local governmental entity for an election held is \$1.98 per registered voter. If a special election were to be held on the general election date, the local government would experience an increase in costs that would not likely be significant (because the state pays the majority of the costs). However, if a special election were to be held on a uniform election date other than the general election date, the local government would incur the full costs associated with conducting the special election (pay to election workers, fees for the use of polling locations, publishing notices, and printing ballots).

In addition, if a municipality reduced or eliminated their current use of their photographic traffic signal enforcement systems, the local government would experience a loss of revenue.

The Comptroller of Public Accounts (CPA) also provided information from several municipalities that indicated there would be a one-time negative fiscal impact due to the requirement to hold an election to approve of a photographic traffic signal enforcement system. Based on the information obtained from the sample municipalities, the bill would have a negative impact; however, the amount of the impact on other units of local government may differ from the sample local governments based on the characteristics of each local government.

The City of Arlington reported there would be no additional costs other than the cost of an election estimated at \$75,000 if held before November 8, 2011. The city has an existing photographic traffic

signal enforcement system in place and had not planned on adding any other issues on the November 2011 ballot. The cost of the photographic traffic signal enforcement system would be covered by the fines imposed.

The City of Cleburne reported that the city does not have a photographic traffic signal enforcement system in place, but if they chose to establish a system in FY 2011, it would cost approximately \$13,000 for an election in November, 2011.

The City of Plainview stated that it does not have a photographic traffic signal enforcement system in place, and has no plans to pass an ordinance or hold an election to put one in place.

Other cities that reported there would be costs to hold an election were: Plano (\$120,000); Farmers Branch (\$5,000); Dallas (\$1.2 million for a special referendum); North Richland Hills (\$15,000); and Balcones Heights (\$5,000).

The City of Garland reported costs for a referendum would be (\$75,000) and also noted that if the referendum passes, there would be net revenue losses that exceed \$50,000 in subsequent years. The City of Garland's Safelight Program does not generally produce net revenues due to a number of factors, mainly, the compliance rates and red light running reductions brought about through the program. The city is currently anticipating a deficit of \$3 to \$6 million in overall municipal operations.

The City of Richardson reported costs for a referendum would be (\$75,000) and also noted that if the referendum failed, there would be a revenue loss of \$431,223 to the city.

The City of Fort Worth reported costs for a referendum would be (\$500,000) and also noted that there would be an estimated potential revenue loss of \$1.9 million.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 601 Department of Transportation

LBB Staff: JOB, KKR, SD, TP, MM, JJO