

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 15, 2011

TO: Honorable Larry Phillips, Chair, House Committee on Transportation

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

IN RE: HB1594 by Isaac (Relating to disposition of fines imposed by certain municipalities for traffic violations.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1594, As Introduced: a negative impact of (\$382,000) through the biennium ending August 31, 2013.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$191,000)
2013	(\$191,000)
2014	(\$191,000)
2015	(\$191,000)
2016	(\$191,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Cities</i>
2012	(\$191,000)	\$191,000
2013	(\$191,000)	\$191,000
2014	(\$191,000)	\$191,000
2015	(\$191,000)	\$191,000
2016	(\$191,000)	\$191,000

Fiscal Analysis

The bill would amend Chapter 542 of the Transportation Code to exempt a municipality with a population of less than 5,000 from the requirement to remit to the Comptroller of Public Accounts (CPA) the amount from fines collected for highway traffic violations and special expenses that exceeds 30 percent of the municipality’s revenue collections from all sources in the preceding fiscal year, other than federal funds and bond proceeds. The bill would authorize cities in which less than 10 percent of traffic citations issued were for driving five miles per hour or less above the posted speed limit to retain the amount from fines collected.

Methodology

According to information provided by CPA, the U.S. Bureau of the Census reported on July 1, 2009 there were approximately 875 cities in Texas with a population less than 5,000. Under the provisions in Chapter 542, those cities remitted \$212,000 to the Comptroller’s Office for deposit to the General

Revenue Fund 0001 in fiscal year 2010. This analysis assumes 90 percent of the remitted dollars under current law would meet the requirements for an exemption from making such remittances to the Comptroller's Office.

The Comptroller's Office reported there would be no administrative costs associated with implementing the provisions of the bill.

Local Government Impact

There would be a positive fiscal impact to applicable municipalities to retain the revenue collections from certain traffic violations and special expenses, but the amounts would vary depending on the number of traffic violations committed in a city.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KJG, SD, TP