

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 20, 2011

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

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

IN RE: HB3527 by Davis, Yvonne (Relating to the disposition of fines for traffic violations collected by certain municipalities.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time because the extent to which the funds retained by a city would be spent for an excludable purpose is not known.

The bill would amend the Transportation Code to authorize a municipality with a population of 5,000 to retain 30 percent of the municipality's revenue from all fines collected under Article 45.051 of the Code of Criminal Procedure other than federal funds and bond proceeds, including the excess if the funds are used exclusively to fund fire, rescue and emergency medical services. Under current statute, the municipality would be required to remit the excess funds to the Comptroller.

According to the Comptroller of Public Accounts (CPA), the bill's provisions would result in a loss to the State to the extent that any excess funds would be retained by a city and spent exclusively to fund fire, rescue and emergency medical services for those functions. Because the extent to which these funds would be spent for an excludable purpose is not known, the fiscal impact cannot be determined. The change in law would apply only to a fiscal year of a city beginning on or after the effective date of the bill, any fiscal impact to the State would not occur until fiscal year 2013. There would be no administrative costs to CPA.

Local Government Impact

There would be a positive fiscal impact to an eligible municipality authorized to retain excess funds that would vary depending on the amount of fines collected from traffic violations. In addition, the additional revenue could be used to offset costs associated with fire, rescue and emergency medical services.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, TP, SD