

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 8, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2421** by Elkins (Relating to allowing a person to register a motor vehicle when delinquent in the payment of certain civil penalties.), **As Introduced**

**The probable fiscal implications of this bill cannot be determined at this time due to the unavailability of data regarding the number of violations detected by a photographic enforcement system, the number of vehicles denied registration as a result of outstanding fines, and the number of fines paid as a result of denying vehicle registration. It is assumed the bill could result in an insignificant increase in revenue to the State Highway Fund and a loss of revenue deposited to the Regional Trauma Account 5137.**

The bill would prohibit a county assessor-collector and the Texas Department of Motor Vehicles (DMV) from refusing to register a motor vehicle if the owner has a delinquent civil penalty for a violation detected by a photographic traffic signal enforcement system (system).

According to DMV, as of November 2012, 45 cities contracted with the department to flag vehicle registration records. However, DMV does not know how many vehicle records are flagged for outstanding violations detected by a system, how many vehicles are denied registration as a result, or how many violations from a system are paid as a result. Because this information is unknown, the fiscal implications of the bill cannot be determined at this time.

Revenue from vehicle registrations is deposited to the State Highway Fund, and revenue from photographic traffic signal enforcement system violations is divided between municipalities and the state (Regional Trauma Account No. 5137). Based on the Legislative Budget Board's analysis, the bill could result in an increase in motor vehicle registrations which would generate additional revenue for the State Highway Fund. In fiscal year 2012, \$1.3 billion in revenue was deposited to the State Highway Fund from motor vehicle registration fees; the amount of revenue generated from increased motor vehicle registrations that would occur under the provisions of this bill cannot be determined but is not expected to be significant.

In fiscal year 2012, \$16.7 million was deposited to the Regional Trauma Account from civil violations detected by a system. The Comptroller of Public Accounts reports the bill could reduce the collection of delinquent penalties resulting from violations detected by a system. This could reduce revenue for Regional Trauma Account No. 5137; however, the amount of any such effect cannot be determined.

## Local Government Impact

The impact of this bill on local governments would vary depending upon the number of violations detected by a photographic traffic enforcement system in the government's jurisdiction and whether the local government currently contracts with DMV to place flags on vehicle registration records as a result of unpaid violations. The City of Burleson indicated the city does not participate in registration holds; therefore, the bill would not have an impact.

The City of Fort Worth reported the total of unpaid violations from registration holds from fiscal year (FY) 2008 to FY 2013 is \$13.7 million (182,798 vehicle registrations x \$75 per fine which would not include additional penalties). Fort Worth has a population of 758,000 and the city's affected department current fiscal year budget is \$11.5 million.

The City of Plano reported the total of unpaid violations since the inception of the Plano Red Light Camera program in March 2006 to February 1, 2013, is \$5,307,803. There is not an accurate method to calculate future revenue losses, but it is assumed that the number of unpaid violations will increase if the State or County Assessor-Collectors do not have the ability to prevent vehicle owners with delinquent red light camera fines from registering their vehicles. Plano has a population of 261,900 and the city's affected department current fiscal year budget is \$55.4 million. The city also noted that none of Plano's revenue nor operating expenses for the Photographic Traffic Signal Enforcement Program are contained within the city's overall appropriated budget or the Police Department's budget. A special Traffic Safety Fund, separate from the City of Plano General Fund, exists for the operation of this program.

The City of Garland reported estimated revenue losses of \$70,000 to \$75,000 in FY 2014. The Garland SafeLight Program has resulted in a dramatic decrease in red light violations thus producing a corresponding reduction in the number of notice of violations and penalties assessed. The current budget estimate for net revenues from the SafeLight Program is approximately \$360,000 of which half goes to the State Trauma Fund. Registration holds on vehicles for unpaid traffic violations is known as a "scofflaw" hold and is only issued when a violator has not paid the penalty. Red light camera violations are civil penalties, not criminal fines and do not result in the issuance of a warrant; therefore, removing the option of a scofflaw hold may result in an increase in unpaid red light camera fines. Garland has a population of 230,000.

The City of Willis indicated that a registration hold is an effective way to compel red light camera violators to pay the civil penalty, and without that, unpaid fines would likely increase.

**Source Agencies:** 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

**LBB Staff:** UP, MMe, TP, AG, JI