

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 22, 2015**

**TO:** Honorable Joseph Pickett, Chair, House Committee on Transportation

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

**IN RE: HB2442** by Zedler (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, 60 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 2014, \$1.35 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 2014, \$16.26 million was deposited to the Regional Trauma Account from civil violations detected by a system. 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 or assessor-collectors to place flags on vehicle registration records as a result of unpaid violations.

The City of Willis reported the total of unpaid violations since the inception of the Willis Red Light Camera program is \$1.2 million dollars. The City reported that out of the 50,061 violations that have been issued through February 2015, 12,760 of the violations are unpaid and registration holds have been requested for them. Since the inception of the program, there have been 5,313 violators who paid fines of approximately \$531,300 after being placed on a registration hold.

The City of Plano reported the total of unpaid violations since the inception of the Plano Red Light Camera program from March 2006 to February 1, 2005 is \$7.2 million. There is no 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 reported none of the city's revenue nor operating expenses for the Photographic Traffic Signal Enforcement Program are contained within the budget of the City of Plano or the Plano Police Department. A special Traffic Safety Fund, separate from the City of Plano General Fund, exists for the operation of the program.

The City of Garland reported the Garland SafeLight Program has resulted in a dramatic decrease in red light violations thus producing reducing the number of accidents and violations. 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 registration holds may result in an increase in unpaid red light camera fines.

The City of Fort Worth reported the total of unpaid violations from Fiscal Year (FY) 2008- FY 2014 is \$28.2 million and an estimated \$4 million of unpaid fines will be generated over the next 5 years.

Dallas County reported that the county currently has 8 outside entities participating with the Scofflaw Program with the Tax Office of the County; the Cities of Garland, Dallas, Balch Springs, Duncanville, Irving, Rowlett, Desoto, and NTTA. The County reported that since January 2011, the Tax Office has denied 20,420 vehicle registrations for outstanding fines and fees related to scofflaws. Dallas County reported as of October of the current FY 2014-2015 the county received \$99,721 to run the program. The County reported an estimated \$183,608 in revenue loss in FY 2016-FY 2020 due to the provisions of the bill.

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

**LBB Staff:** UP, AG, EK, SD, MMe, JI