

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 25, 2019

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB2262 by Thompson, Ed (Relating to the use of traffic surveillance systems.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time. Biennial losses to GR-D Account 5111 are estimated at \$39.5 million per biennium. These State revenue losses would be offset to an unknown degree by a provision of the bill that would direct all revenue from photographic traffic signal enforcement systems to the fund through the length of existing contracts.

The bill would amend the Transportation Code, Government Code, Health and Safety Code, and Local Government Code to repeal provisions that authorize government entities to impose a civil penalty for certain traffic violations recorded by camera. Under current law, the amount of the civil penalty may not exceed \$75. A late payment fee of \$25 may also be assessed.

The bill would prohibit a local authority from issuing a civil or criminal charge or citation for an offense or violation based on a recorded image produced by a photographic traffic signal enforcement system. The bill would allow local governments and entities to operate systems until the expiration of current contracts, provided the contract was entered into before June 1, 2019. The bill would not authorize termination on the basis of adverse state legislation. However, beginning June 1, 2019, all revenue derived from the fine would be sent to the Comptroller of Public Accounts (CPA) for deposit into GR-D Account 5111- Designated Trauma Facility and EMS. Currently, 50 percent of revenue collected from fines from is deposited this account while the other 50 percent remains with the local government or entity to fund traffic safety programs. The bill would also make various conforming changes to the Local Government Code, Health and Safety Code, and Government Code.

According to the Office of Court Administration, the bill would have no significant impact to the State court system.

According to the Office of the Attorney General, any legal work resulting from the passage of this bill could be reasonably absorbed with current resources.

According to the Department of State Health Services, the estimated revenue loss from the bill would result in less funding available to offset uncompensated trauma care for designated facilities; less funding for the 22 Trauma Regional Advisory Councils to maintain trauma system development; and less funding to EMS Providers for current and future operation cost to include education, training, supplies and equipment.

According to the Texas Education Agency (TEA), school district commissioned peace officers will no longer have the power to issue citations from images captured from bus stop-arm cameras.

According to CPA, state revenues from violations are expected to be approximately \$39.5 million per biennium under current law. Revenues to local authorities are expected to be the same amount. However, because the bill would direct an unspecified amount of additional revenue to GR-D Account 5111 through the end of existing contracts, and because the expiration dates of the contracts to operate photographic traffic enforcement systems are unknown, the overall financial impact of the bill on State revenue cannot be estimated.

Local Government Impact

The bill would have a significant fiscal impact to municipalities with installed and operating red light cameras, as collections from violations after June 1, 2019 would all be remitted to the state. Under current law, local jurisdictions with these cameras receive 50 percent of net revenue after allowable expenses are removed from gross receipts. The City of Irving, for example, reported \$2,870,267 in total civil and administrative penalties in fiscal year 2018. Of this amount, \$883,096 was used to defray the costs of operating the enforcement system. These costs included: \$656,272 for the lease or purchase of the red light camera systems, \$225,699 in salaries and benefits (a traffic engineer and police officers to review violation activity), and \$1,125 in miscellaneous expenses. The City and the State then each received \$993,585 in net revenue.

Other cities reporting revenue from red light cameras included: Garland (Total revenue: \$1,979,658, Operating Cost: \$154,264, State/Local Share: \$513,533); El Paso (Total revenue in fiscal year 2018: \$1,205,972, Operating Cost: \$268,058, State/Local Share: \$468,957); Coppell (\$58,815 in operating expenses, average State/Local Share of \$108,379 since inception of the program); Plano (\$2,439,610 in State/Local Share in fiscal year 2018); and Sugarland (\$950,000 budgeted for net revenue to the city in fiscal year 2019).

According to the TEA, the bill could have an impact on local public schools if ticket revenue is being used to maintain and pay for stop-arm camera/traffic surveillance systems.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 537 State Health Services, Department of, 608 Department of Motor Vehicles, 701 Texas Education Agency

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