

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 15, 2019

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

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

IN RE: **SB653** by Hall (Relating to prohibiting the use of photographic traffic signal enforcement systems.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB653, As Introduced: an impact of \$0 through the biennium ending August 31, 2021.

However, there would be an estimated revenue loss of (\$28,284,000) to Trauma Facility and EMD Account 5111 in the 2020-21 biennium if the bill were passed with immediate effect or a loss of (\$21,705,000) in the 2020-21 biennium if the bill would be effective September 1, 2019.

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Trauma Facility And Ems</i> 5111	Probable Revenue Gain/(Loss) from <i>Cities</i>
2020	(\$8,536,000)	(\$8,536,000)
2021	(\$19,748,000)	(\$19,748,000)
2022	(\$19,748,000)	(\$19,748,000)
2023	(\$19,748,000)	(\$19,748,000)
2024	(\$19,748,000)	(\$19,748,000)

The table above reflects state revenue loss to Fund 5111 should the bill take immediate effect as estimated by the Comptroller of Public Accounts (CPA). The table below reflects CPA estimated State revenue loss to Fund 5111 should the bill be effective September 1, 2019.

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Trauma Facility And Ems</i> 5111	Probable Revenue Gain/(Loss) from <i>Cities</i>
2020	(\$1,957,000)	(\$1,957,000)
2021	(\$19,748,000)	(\$19,748,000)
2022	(\$19,748,000)	(\$19,748,000)
2023	(\$19,748,000)	(\$19,748,000)
2024	(\$19,748,000)	(\$19,748,000)

Fiscal Analysis

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 implementing or operating a photographic traffic signal enforcement system and would require the Attorney General to enforce the prohibition. 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 repeal sections of the Government Code and Transportation Code that run contrary to the prohibition and would make various conforming changes to the Local Government Code, Health and Safety Code, and Government Code.

Methodology

Estimates of revenue loss provided by CPA are based on the *2020-21 Biennial Revenue Estimate* and reflect revenue from civil penalties associated with photographic signal enforcement systems. Net fines and administrative penalties collected for traffic violations relating to traffic cameras, less allowable expenses, are split with 50 percent deposited to GR Account 5111 - Designated Trauma Facility and EMS. The remaining 50 percent of net funds are used by local authorities to fund traffic safety programs. The scenarios above represent estimated revenue loss depending on the effective date of the bill should it pass.

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 Health and Human Services Commission, while the implementation of this bill could result in a significant fiscal impact to the agency, an estimate cannot be determined at this time.

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 Department of Transportation (TxDOT), the bill could result in savings from removing annual reporting requirements for red light cameras and the agency could incur some administrative costs as devices are removed from TxDOT right-of-way. These potential savings and costs are not anticipated to be significant.

According to the Department of Motor Vehicles, no fiscal impact to the agency is anticipated.

Local Government Impact

The bill would likely have a significant fiscal impact to municipalities with installed and operating red light cameras. 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).

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 537 State Health Services, Department of, 601 Department of Transportation, 608 Department of Motor Vehicles

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