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FISCAL IMPACT STATEMENT

LS 6396

BILL NUMBER: HB 1150

NOTE PREPARED: Dec 8, 2021

BILL AMENDED:

SUBJECT: Automated Traffic Enforcement in School Zones.

FIRST AUTHOR: Rep. Johnson

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- (1) Authorizes a county, city, or town to adopt and enforce an ordinance that regulates the placement and use of automated traffic enforcement safety devices to detect certain traffic offenses in school zones.
- (2) Provides civil penalties for offenses and violations.
- (3) Specifies that the civil penalty must be applied first to defray the cost of the installation, operation, and maintenance of the devices, and specifies the manner in which the remaining funds are distributed.
- (4) Prohibits the: (a) reporting of offenses and violations on a driving record; (b) use of offenses and violations to determine rates for motor vehicle insurance; and (c) assessment of points under the point system by the Bureau of Motor Vehicles (BMV) for offenses and violations.
- (5) Requires notification to the BMV if offenses and violations have not been paid timely.
- (6) Requires the BMV to suspend the registration of a vehicle when the offenses and violations have not been paid.
- (7) Makes other changes and conforming amendments.

Effective Date: July 1, 2022.

Explanation of State Expenditures: This bill will increase the workload of the BMV to suspend registrations for individuals who fail to pay ordinance violations captured by automated traffic enforcement devices. Increases in agency workload are expected to be minimal.

Explanation of State Revenues: The bill allows the BMV to collect reinstatement fees from individuals who pay ordinance violations after their vehicle registration has been suspended. Increases in BMV Commission

Fund revenue from these fees would depend on the amounts established by the agency and the total number of individuals who request registration reinstatement after initial suspension.

Additionally, to the extent individuals contest citations issued by automated traffic enforcement devices where a court hearing occurs, the General Fund could receive additional revenue from court fees. Increases in General Fund revenue are expected to be minimal.

Additional Information - Because the bill specifies that violations captured by automated traffic enforcement devices cannot be included in a driving record or utilized for purposes of calculating motor vehicle insurance premiums, this bill is expected to have no impact on insurance premium tax revenue collections.

Explanation of Local Expenditures: This bill will increase the workload of counties and municipalities to the extent they enter into agreements with vendors for the installation and administration of automated traffic enforcement cameras. Any increase in workload and/or expenditures would be financed with the collection of ordinance violation revenue.

Contesting Citations - The bill allows individuals to contest citations. To the extent individuals contest citations, court caseload will increase to hear appeals.

Explanation of Local Revenues: Summary - To the extent counties or municipalities elect to enter into agreements with automated traffic enforcement camera vendors, local revenue is expected to increase from ordinance violation revenue collections. The total amount of increased revenue is unknown, but expected to be significant.

Additional Information - The bill allows counties or municipalities to install automated traffic enforcement cameras in school zones. Revenue received from ordinance violations is to be used first to defray the costs of the installation, maintenance, and operation of the automated traffic enforcement devices. The bill establishes the fine for an ordinance violation is not more than \$250 per offense, but may include processing fees for payment of the civil penalty. It is assumed that for each violation, a set amount will be forwarded to the vendor to defray the costs of the enforcement devices.

The remaining civil penalty revenue is distributed as follows: (1) 60% to the general fund of the local authority, (2) 10% to the county law enforcement continuing education program, (3) 15% to the local law enforcement continuing education program, and (4) 15% to the regional public safety training fund. Automated traffic enforcement devices are expected to increase the overall number of violations in an enacting county or municipality, so it is expected that these four funds will receive additional revenue to the extent a local authority elects to install these devices.

Information obtained concerning automated traffic enforcement devices installed in a local jurisdiction in North Carolina shows the devices increased local revenue by approximately \$3.34 M over an almost three-year period after accounting for program administration expenses paid to their vendor (an additional \$1.1 M).

Contesting Citations - To the extent individuals contest a citation issued by an automated traffic control device, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: BMV.

Local Agencies Affected: Counties; municipalities; trial courts.

Information Sources: Elizabeth Johnson, the Daily Reflector, and associated data provided by vendor American Traffic Solutions for public dissemination.

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