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FISCAL IMPACT STATEMENT

LS 7291

BILL NUMBER: HB 1237

NOTE PREPARED: Feb 20, 2007

BILL AMENDED: Feb 15, 2007

SUBJECT: Motor Vehicle Restraint Systems.

FIRST AUTHOR: Rep. Welch

FIRST SPONSOR: Sen. Wyss

BILL STATUS: As Passed House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Safety Belt Requirements:* The bill requires occupants of motor vehicles to wear safety belts, with certain exceptions.

Class C Infraction: The bill provides that an individual who operates a truck on a public highway while another individual is in the open bed of the truck commits a Class C infraction, with certain exceptions.

Compliance with Safety Belt Laws: The bill provides that a police officer employed by the state, a municipality, or a county may not participate in certain activities or programs concerning traffic stops for the purpose of determining compliance with the law requiring occupants of motor vehicles to wear safety belts. The bill also prohibits the Office of Traffic Safety from conducting certain activities or programs concerning traffic stops for the purpose of determining compliance with the law requiring occupants of motor vehicles to wear safety belts.

Local Road and Street Account Distributions: The bill provides that the money in the Local Road and Street Account shall be distributed among counties according to the ratio of each county's passenger car and pickup truck registrations to the total passenger car and pickup truck registrations statewide. (Under current law, pickup truck registrations are disregarded in the distribution formula.) It phases in the change over three years, beginning July 1, 2007.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (Revised) *Local Road and Street Account Distributions:* The state

Auditor will experience a potential increase in expenditures involved with the newly created distribution mechanism for the Local Road and Street Account.

Explanation of State Revenues: *Safety Belt Requirements:* The bill has two potential impacts: (1) increased infractions revenue from additional safety belt violations and from people riding in the open bed of a pickup truck, and (2) increased federal funds associated with implementation of statutes which could enable the state to demonstrate compliance with federal program requirements.

Safety Belt Violations: To the extent that pickup truck drivers and passengers would be subject to safety belt requirements, the number of violations could increase. Based on CY 2004 registrations, approximately 1.4 million additional vehicles (an approximate 37% increase) would be subject to the seat belt law, a violation of which is a Class D infraction. The maximum penalty for a Class D infraction is a \$25 fine which is deposited into the state General Fund. In CY 2005, there were 92,033 guilty violations for not wearing a seat belt. Although the number of additional citations and fines will depend on compliance and enforcement, potential new revenue is estimated to be approximately \$854,000.

Data and Analysis: For CY 2004, 1.403 million trucks with a gross weight of not more than 11,000 pounds and 3.78 million passenger cars were registered with the Bureau of Motor Vehicles. The estimated seat belt violations for CY 2004 are provided in the following table.

| CY 2004 | Registered Vehicles | Seat Belt Violations |
|---|---------------------|----------------------|
| Passenger Cars | 3,781,028 | 92,033 |
| Trucks | 1,403,256 | 34,156* |
| * Estimated figure based on proportion of truck registrations to registered passenger cars in CY 2004 | | |

Although the number of additional citations and fines will depend on compliance and enforcement, the number of vehicles subject to seat belt use, based on vehicle registrations, could increase by approximately 34,000. If additional court cases occur and infraction judgments are collected, revenue to the state General Fund may increase. If violators are fined the maximum judgment for a Class D infraction of \$25, new revenue would be approximately \$854,000.

If a criminal action, infraction, or ordinance violation involves a traffic violation, including this proposed offense, a highway work zone fee of either 50 cents or \$25.50 is also assessed.

(Revised) *Class C Violations:* There are no data to indicate how many people may violate the prohibition against operating a vehicle with an individual in the open bed of the truck, a Class C infraction. If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the judicial salaries fee (\$15), the public defense administration fee (\$3), the court administration fee (\$2), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

(Revised) *Federal Funds*: Section 406 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) allows for one-time New Primary Law State grants with the maximum potential grant for Indiana of \$15.7 M. To receive this grant, a state must enact a law enforcing a conforming primary safety belt use law for all passenger motor vehicles. A conforming primary safety belt use law allows law enforcement officials to stop a passenger motor vehicle and issue a citation for not wearing a safety belt without probable cause that another violation has been committed.

The grants may be used for any safety purpose, including behavioral and infrastructure safety programs or for any project that corrects or improves a hazardous roadway location or feature or proactively addresses highway safety problems. SAFETEA-LU stipulates that a state must expend at least \$1 M of the grants received for safety activities.

In a preliminary review of this bill, the National Highway Traffic Safety Administration (NHTSA) indicated that if the bill were to be enacted as introduced, it would not have enabled the state to comply with Section 406 criteria because the medical exemption for safety belt usage did not require a written documentation from a physician. However, the bill as introduced, according to the review, would address applying a primary safety belt law to a passenger motor vehicle including passenger cars, pickup trucks, vans, minivans, and sports utility vehicles with a weight rating of less than 10,000 pounds. Another issue identified is that there are conflicting versions of IC 9-19-10-3; one prohibiting primary safety belt enforcement and one allowing it. NHTSA recognizes that the state Supreme Court confirms the authority for primary enforcement.

The bill has been amended to provide for written medical documentation from a physician. In addition, other exemptions from the safety belt requirements were added, and NHTSA, in a preliminary review, has indicated that the additional exemptions would not prevent the state from complying with the Section 406 program. The bill as amended also prohibits using educational programs for the purpose of determining compliance with safety belt laws and prohibits police officers and the Office of Traffic Safety in the Criminal Justice Institute from participating in a program or activity that includes a traffic stop for the purpose of determining compliance with safety belt laws. These final provisions are not expected to conflict with the requirements for Section 406 funding, but NHTSA has not yet reviewed the changes.

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) *Class C Violations*: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Local Road and Street Account Distributions: The bill will change the amount of Local Road and Street Account funds received by counties and will favor those counties with more pickup trucks at the expense of those with fewer pickup trucks in relation to the total number of passenger cars and pickup trucks registered. The bill phases in the change over a three-year period beginning in state FY 2008, with 34% of the total pickup truck registrations used for the period beginning July 1, 2007, and ending June 30, 2008. For the period beginning July 1, 2008, and ending June 30, 2009, 67% of the total pick-up truck registrations are used in the formula, and after June 30, 2009, 100% of the total pick-up truck registrations are used.

This proposal does not increase the amount of funds to be distributed, but rather redistributes the funds among the counties. For FY 2006, approximately \$81.7 M were distributed through the Local Road and Street Account to local units. Including pickup trucks in the LR&S distributions to the 659 recipient units results in 516 units with increases and 143 units with decreases. The total dollars shifted are estimated to be \$3.562 M when fully implemented.

State Agencies Affected: Indiana Department of Transportation; Criminal Justice Institute; State Auditor.

Local Agencies Affected: Trial courts; Local law enforcement agencies; Recipients of Local Road and Street Account distributions.

Information Sources: U.S. Department of Transportation, National Highway Traffic Safety Administration memorandum, January 22, 2007; Don McNamara, NHTSA, 708-503-8892; Sarah Meyers, 317-232-1259; Additional information is available from the Office of Fiscal and Management Analysis for the Pick-up truck portion.

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