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FISCAL IMPACT STATEMENT

LS 7554
BILL NUMBER: SB 527

NOTE PREPARED: Jan 16, 2011
BILL AMENDED:

SUBJECT: Intersection Safety Systems.

FIRST AUTHOR: Sen. Merritt
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- (1) Allows a county, city, or town to adopt and enforce an ordinance (ordinance) that regulates the placement and use of intersection safety systems on local, county, and state highways within the municipal boundaries and unincorporated areas.
- (2) Provides that the civil penalty for a violation of an ordinance must be at least \$125 and not more than \$150.
- (3) Specifies that the civil penalty must be applied to defray the cost of the installation, operation, and maintenance of the intersection safety system and that the remaining funds be distributed: (a) with 70 % to be deposited with the county or municipality in which the intersection safety system is located for local public safety; and (b) with 30% to be deposited in the state General Fund for public safety.
- (4) Prohibits the: (a) reporting of a violation of an ordinance on a driving record; (b) use of a violation of an ordinance to determine rates for motor vehicle insurance; and (c) assessment of points under the point system by the Bureau of Motor Vehicles (BMV) for a violation of an ordinance.
- (5) Requires the city, county, or town to send a referral to the BMV if the ordinance violation penalty has not been paid in a timely manner.
- (6) Requires the BMV to suspend the registration of a vehicle for which an ordinance violation penalty has not been paid.
- (7) Provides that a person who does not contest the violation of an ordinance and pays the civil penalty in a timely manner is not liable for court costs.
- (8) Makes other changes, conforming amendments, and technical corrections and repeals a superseded definition.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Summary:* This bill is expected to increase BMV expenditures between an estimated \$9,400 and \$56,400 per year under certain situations.

Details: This bill will increase the workload and expenditures of the BMV to provide written notice regarding suspending the registration of local ordinance violators. The BMV reports the cost to send each notice is \$0.55. Additionally, if the BMV is required to notify violators at least monthly, the cost to do so would be approximately \$3,000. However, if the BMV is to notify violators in real time, the costs of programming, labor, and maintaining a notification system is expected to be approximately \$50,000 per year.

As reported by the Indiana Criminal Justice Institute, there were 11,626 moving citations issued during CY 2009 involving traffic signals. Using this information, if all local government units adopt intersection safety system ordinances, mailing expenses to the BMV could be expected to increase by \$6,400 per year.

Explanation of State Revenues: *Summary:* This bill will decrease revenue to the General Fund to the extent local government units adopt ordinances regarding intersection safety system. The actual decrease in revenue to the General Fund is indeterminable.

Additional Information:

It is assumed intersection safety systems will be used primarily to police the red light violations. Currently, all revenue from infractions for red light violations is deposited in the state General Fund. As proposed, local government ordinances adopted regarding intersection safety systems will take precedence over state penalties for violations.

Currently, the penalty for violating traffic control laws is a Class C infraction. The maximum judgement for a Class C infraction is \$500, all of which would be deposited in the state General Fund. Under the bill, civil penalties assessed to violators of local ordinances are required to be between \$125 and \$150. After an amount is deducted for the installation, operation, and maintenance of the intersection safety system, 30% of the remaining local revenue collected from these civil penalties is designated for deposit in the state General Fund. It is not known what portion of the civil penalties will be retained by local government units to defray the costs of the intersection safety system; however, the change is expected to decrease revenue to the General Fund.

As reported by the Indiana Criminal Justice Institute, there were 11,626 moving citations issued during CY 2009 involving traffic signals. Under current statute, the maximum amount of revenue deposited in the General Fund from Class C infractions involving moving violations at traffic signals is \$5.8 M per year.

Explanation of Local Expenditures: This bill allows local units of government to adopt ordinances that allow for the installation and regulation of intersection safety systems. The bill also establishes regulations for the use of intersection safety systems.

This bill will increase the workload and expenses of local government units that elect to adopt intersection safety system ordinances (specifically staffing costs, costs of equipment, mailing costs, and court workload to the extent charged violators request court hearings). The cost of installing, operating, and maintaining the intersection safety system is expected to be provided by civil fees assessed from violators.

Explanation of Local Revenues: This bill is expected to increase local revenue from civil penalties assessed against intersection safety system ordinance violators. The bill provides that local governments that adopt intersection safety system ordinances must require that civil penalties imposed for an ordinance violation are applied first to defray the costs of the installation, operation, and maintenance of the intersection safety system. The remaining revenue from civil penalties are required to be distributed as follows: (1) 70% to the county or municipality where the intersection safety system is located and (2) 30% to the state General Fund.

Currently, local government units do not receive revenue from moving violation fees (except for court costs paid by violators who request court hearings). This bill may also (1) provide incentive to enforce moving violations and (2) make it easier for local government units to enforce moving violations, thereby further increasing local revenue from civil fees.

The number of moving violations involving traffic intersections per local government unit is not currently known; however, aggregate state data is available. Assuming 11,626 statewide moving violations involving traffic intersections (red light violations), this bill could generate a maximum of approximately \$1.7 M in local revenue per year. (The portion of this revenue that would be distributed to the state General Fund after reimbursing local costs is unknown.) If this bill provides sufficient incentives to increase moving violation enforcement by 20% (13,951 moving violations), the bill may result in \$2 M of local revenue.

State Agencies Affected: BMV.

Local Agencies Affected: All.

Information Sources: Will James, Indiana Criminal Justice Institute.

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