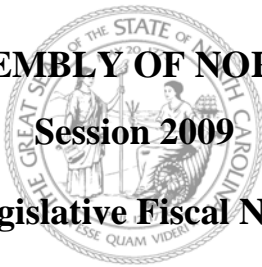


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: Senate Bill 269 (Third Edition)

SHORT TITLE: Work/School Zones-Speed Camera Pilot Program.

SPONSOR(S): Senator Clodfelter

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
REVENUES					
(Per \$125 payment)					
Civil Penalties Litigation Fund	\$93.75	\$93.75	\$93.75	\$93.75	\$93.75
State Public School Fund	\$31.25	\$31.25	\$31.25	\$31.25	\$31.25
(Per \$250 payment)					
Civil Penalties Litigation Fund	\$187.50	\$187.50	\$187.50	\$187.50	\$187.50
State Public School Fund	\$62.50	\$62.50	\$62.50	\$62.50	\$62.50
EXPENDITURES					
(Estimate based on preliminary DMV methodology)					
Division of Motor Vehicles	\$11,130,000	\$11,000,000	\$11,000,000	\$11,000,000	\$11,000,000
Court System	(Not known)				
POSITIONS (cumulative):					
Division of Motor Vehicles	(Not yet determined)				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Division of Motor Vehicles, Department of Public Instruction, Administrative Office of the Courts					
EFFECTIVE DATE: This act becomes effective October 1, 2009.					

BILL SUMMARY:

Section 1 of the third edition creates a program to use electronic speed-measuring systems to detect speed limit violations in work zones and school zones. The registered owner of a vehicle detected speeding would be charged a civil penalty of \$250 for a violation of a speed limit in a work zone and \$125 for violation of a speed limit in a school zone. Section 2 establishes the admissibility of the results of an electronic speed-measuring system for the purposes of enforcement and sets out requirements for calibration and testing of the systems.

Sections 3, 4, and 5 set out the disposition of the funds collected from each penalty. Seventy-five percent of the funds go to a newly created Civil Penalties Litigation Fund within the Civil Penalty and Forfeiture Fund. These collections are to be allocated to local school administrative units on a per pupil basis and spent in accordance with the provisions of the State School Technology Fund. The purpose of the expenditures is to satisfy the judgment in *North Carolina School Boards Association et al v Moore, et al.* (Note: The judgment found that civil penalties collected between January 1, 1996 and June 30, 2005 should have been remitted to local school administrative units for technology. The total of those penalties is \$747,883,074.)

The remaining twenty-five percent of the funds collected for each penalty are to be paid to the State Public School Fund to be used to fund the drivers education program. However, for each dollar from the fund used to fund drivers education, the Department of Transportation (DOT) may reduce the drivers education transfer to the Department of Public Instruction from the Highway Fund by an equivalent amount. DOT may only use these retained funds for implementation and administration of the speed-measuring program.

Section 6 states that the Secretary of DOT may designate no more than eight highway work zones at one time and no more than eight school zones on state-maintained highways at one time.

Section 7 sets out reporting requirements for the Secretary of Transportation.

ASSUMPTIONS AND METHODOLOGY:

Department of Transportation:

Data on projected citations per camera are not available and therefore projected revenues and expenditures cannot be determined.

Revenues

The bill allows up to sixteen cameras, eight in work zones and eight in school zones. The total revenues received depend on the number of citations issued and the penalty per violation. The penalty per violation is set at \$125 for speeding in school zones and \$250 for speeding in work zones. The number of payments received per year is speculative and would depend on camera placement, traffic patterns, whether and how often the cameras are moved, and how the cameras are set, among other factors. (Many jurisdictions program the cameras to activate at speeds 10 mile per hour higher than the posted speed limit.) American Traffic Solutions, a vendor of these systems, suggests an average of five violations per hour per camera (with payment received from an equivalent of 3.6 violators) but did not submit any data to support this estimate. American Traffic Solutions does note that “(t)he average of 5 violations per hour is based on the average

recorded during the Arizona Loop 101 test project. Actual rates will vary from site to site and will decrease over time.” The estimate of 5 violations per hour implies 44,000 violations per camera. Sixteen cameras would imply about 700,000 violations per year.

For each payment of \$125 funds will be allocated as follows:

\$93.75 (or 75%) to Civil Penalties Litigation Fund within the Civil Penalty and Forfeiture Fund. These funds are to be allocated to local school administrative units based on student population and expended in accordance with the provisions of the State School Technology Fund. These expenditures are intended to satisfy the judgment in *North Carolina School Boards Association et al v Moore, et al*.

\$31.25 (or 25%) to State Public School Fund for the Drivers Education program. However, DOT may reduce Highway Fund expenditures for the Drivers Education program by an equivalent amount and use the funds saved to pay for implementation of the camera program. It is therefore likely that the major part of this funding stream will accrue to the program vendor for program expenses and to DMV as reimbursement for its costs. Therefore, funds available for the Drivers Education Program cannot be reduced by this Act and can actually be increased, depending on program collections. (The expenditures would still have to be appropriated.) Funds available for DOT programs, other than for operation of this program, will not increase. The bill does not make clear the disposition of funds received that are greater than the costs of program implementation.

For each payment of \$250 funds will be allocated as follows:

\$187.50 (or 75%) to Civil Penalties Litigation Fund within the Civil Penalty and Forfeiture Fund.

\$62.50 (or 25%) to State Public School Fund for the Drivers Education program.

Expenditures

Combining the preliminary DMV cost methodology, with its assumptions about personnel needed to key in violations, handle hearings and appeals, etc. and the vendor estimate of 44,000 violations per camera per year for sixteen cameras implies DMV costs of \$130,000 for startup computer costs (updating the State Automated Driver License System) and recurring personnel costs of about \$11,000,000. DMV is expected to update and reduce their cost estimates.

Judicial Branch

The Administrative Office of the Courts (AOC) reported to Fiscal Research that this bill has the potential to impact the court system in that appeals of administrative hearing decisions would result in new civil cases in District Court. These cases would require court time and resources, impacting District Court judges and deputy clerks. The cost of a day in court for a District Court judge and deputy clerk is \$955. Each case would generate \$70 in General Court of Justice fees remitted to the State General Fund, \$3 remitted to the State Bar, \$16 in facilities fees remitted to the county municipality, and \$1 for the Court Information Technology Fund. The AOC has no data from which to project the number of appeals.

In FY 2007-08, a typical misdemeanor case took approximately 87 days to dispose in District Court. Any increase in judicial caseload without accompanying resources could be expected to further delay the disposition of cases.

SOURCES OF DATA: Division of Motor Vehicles, Administrative Office of the Courts, American Traffic Solutions

TECHNICAL CONSIDERATIONS: DMV has requested an effective date of October 1, 2010 or March 1, 2011.

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Fiscal Research Division



DATE: August 4, 2009

Signed Copy Located in the NCGA Principal Clerk's Offices