

Colorado Legislative Council Staff Fiscal Note

STATE and LOCAL FISCAL IMPACT

Drafting Number: LLS 15-0904 **Date:** April 27, 2015
Prime Sponsor(s): Sen. Balmer; Carroll **Bill Status:** Senate Business, Labor and Technology
Fiscal Analyst: Kerry White (303-866-3469)

BILL TOPIC: VOTER APPROVAL FOR USE OF RED LIGHT CAMERAS

Fiscal Impact Summary*	FY 2015-16	FY 2016-17	FY 2017-18
State Revenue	See State Revenue section.		
State Expenditures	See State Expenditures section.		
FTE Position Change			
Appropriation Required: None.			

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill directs the state or a unit of local government to obtain voter approval before using automated vehicle identification systems, including red light cameras. Local governments with existing red light camera programs must submit a measure to voters on their continued use at the 2016 general election.

Existing red light camera programs. If the voters of a local jurisdiction that uses red light cameras do not approve of their continued use, the local government must discontinue the program within two months following the date of the certification of the vote. If jurisdictions that maintain red light cameras do not wish to submit a ballot question, they must discontinue the program no later than November 8, 2016.

Failure to comply. If a local jurisdiction does not comply with the voter approval requirements, then on and after July 1, 2017, the state treasurer must withhold the local government's monthly Highway Users Tax Fund (HUTF) allocation payments until it discontinues using red light cameras or obtains voter approval. Withheld funds are forfeited by the local jurisdiction and returned to the HUTF to be reapportioned during the next fiscal year under the existing statutory formula.

The bill specifies that the provisions of Senate Bill 15-276 supercede any conflicting charter provision or ordinance of a home rule municipality. The bill's provisions are not to be delayed pending the outcome of a lawsuit challenging its constitutionality.

Background

Ten local jurisdictions use red light cameras, including Aurora, Boulder, Commerce City, Denver, Fort Collins, Greenwood Village, Littleton, Lone Tree, Pueblo, and Sheridan.

Fine amounts for the violation of traffic laws detected by automated vehicle identification systems are established in statute at a maximum penalty of \$40 for speeding and \$75 for running a red light. Under current law, in the instance of either fine, the driver is served a penalty assessment notice or summons within 90 days of the alleged violation. Automated vehicle identification systems cannot be used to detect traffic law violations unless there are adequate signs notifying the public that such a system is in use.

Speed limit violations. Under current law, if an automated vehicle identification system detects an individual driving less than 10 miles per hour over the speed limit, and if the violation is the individual's first for such an offense, the state or local government is required to mail a warning notifying the individual of the violation. The driver is not required to pay a fine or surcharge for the first violation. A second or subsequent violation results in a fine of up to \$40. If the second or subsequent violation occurs in a school or construction zone, the maximum penalty is doubled.

Traffic control signal violations. The maximum fine penalty under current law for disobedience of a traffic control signal, such as running a red light, that is detected through an automated vehicle identification system is \$75.

Departments of Transportation and Public Safety. The state does not currently use automated vehicle identification systems to enforce state traffic laws and does not collect penalty revenue from such activities.

State Revenue

State revenue. To the extent that local jurisdictions do not seek, or do not obtain, voter approval to continue the use of red light cameras and discontinue their program, this bill is expected to minimally reduce revenue to the Department of Revenue (DOR) from fees collected for record searches. Currently, if a local government contracts with a private entity for the operation of an automated vehicle identification system to detect traffic law violations, the private entity may contact the DOR to obtain the mailing address of the driver so that the penalty assessment notice or summons can be mailed. For record searches for private entities, the DOR collects a fee of \$2.20 per record. Records are provided free of charge to local governments and law enforcement agencies through the use of an electronic system that local governments query on their own. This bill will reduce the number of record searches performed by the DOR for private entities for the purposes of mailing notices and summons; however, the current system used by the DOR does not track the intended use of the information provided by record searches. It is assumed that reductions in revenue as a result of the bill will be minimal.

State transfers. Beginning in FY 2017-18, this bill could alter the distribution of HUTF moneys. Under the bill, if a local jurisdiction does not comply with the requirements of the bill, it forfeits its share of HUTF moneys, which are then reapportioned among HUTF recipients (other local jurisdictions and the State Highway Fund in the Department of Transportation) in the following fiscal year.

State Expenditures

Overall, this bill is expected to have a minimal workload impact on the DOR. As mentioned above, the DOR performs record searches for private entities on behalf of local governments to facilitate the mailing of penalty assessment notices and summons. This requires that interagency

information sharing agreements be in place between the DOR and the local government. Under the bill, record searches for the purposes of mailing notices and summons for violations detected through automated vehicle identification systems will no longer be available, and the DOR will be required to update interagency agreements to reflect the change in law, as well as rules, manuals, forms, and the DOR's website. These activities can be accomplished without adjustments to appropriations.

Potential future costs. If the state were to decide to implement automated vehicle identification systems in the future, it would be required to submit a ballot question to the voters. Although no additional appropriation would be required, certain election costs to the state are appropriated as part of the regular budget process. First, state law requires that the state reimburse counties for costs incurred conducting a ballot measure election paid from the Department of State Cash Fund. Second, the text and title of the measure must be published in one legal newspaper per county and an analysis of the measure must be included in the Ballot Information Booklet (Blue Book) mailed to all registered voter households prior to the election paid from the Ballot Analysis Revolving Fund. For informational purposes only, Table 1 below identifies the anticipated costs for a single statewide ballot measure election in 2016.

Cost Component	Amount
County Reimbursement for Statewide Ballot Measures	\$2,400,000
Ballot Information Booklet (Blue Book) & Newspaper Publication	670,000
TOTAL	\$3,070,000

Local Government Impact

This bill affects local governments in several ways. First, it increases costs for local governments that choose to submit a ballot question to voters. The costs to conduct an election depend on whether a local government has measures on the ballot or if a special election is needed. Based on costs identified by the City of Boulder, this may range \$25,000 to \$150,000 per jurisdiction.

Second, conditional upon actions of voters, beginning in FY 2016-17, annual fine revenue to local governments statewide could decrease by up to \$14.2 million and expenses would be correspondingly reduced by up to \$7.9 million per year. Local governments use fine revenue to pay for all associated costs of running the program, including installation and maintenance of automated vehicle identification systems. Currently, 10 municipalities in Colorado use some form of automated vehicle identification system. Table 2 displays the revenue collected and costs incurred by local governments that use automated vehicle identification systems.

Table 2. 2014 Local Government Revenue and Costs from Use of Automated Vehicle Identification Systems				
City	Speed Photo Radar Revenue	Red Light Camera Revenue	Program Cost	Total Fine Revenue
Aurora	No Photo Radar	\$3.4 million	\$1.9 million	\$3.4 million
Boulder*	\$498,226	\$970,605	\$1,342,717	\$1,468,831
Commerce City	No Photo Radar	\$386,234	\$243,434	\$386,234
Denver	\$5,597,307	\$904,604	\$2,637,367	\$6,501,911
Fort Collins	\$235,840	\$410,325	\$478,498	\$646,165
Greenwood Village	No Photo Radar	\$337,050	\$282,559	\$337,050
Littleton	No Photo Radar	\$515,000	\$515,000	\$515,000
Lone Tree**	No Photo Radar	\$154,770	95,806	\$154,770
Pueblo	No Photo Radar	\$33,826	\$21,580	\$33,826
Sheridan	\$395,435	\$380,026	\$401,244	\$775,461
Totals	\$6,726,808	\$7,492,440	\$7,918,205	\$14,219,248

* Boulder's data is for 2013, as 2014 data was not available at the time of writing.

** Lone Tree's data is for 2013, as cameras were only in use for one month in 2014 due to construction.

Total program costs do not include reductions in workload or collections revenue as a result of fewer cases being referred to municipal court. The fiscal note assumes any such impacts are minimal.

Finally, if a local government does not comply with the requirements of the bill, its HUTF distributions will be reduced in FY 2017-18, and the amounts redistributed to other local governments will increase in FY 2018-19.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Judicial
 Counties
 Municipalities

Transportation
 Revenue

Public Safety
 Local Affairs