

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 14

(Delegate Chang)

Environment and Transportation

Judicial Proceedings

**Vehicle Laws - Work Zone Speed Control System - Increased Penalty for
Multiple Offenses**

This bill increases the maximum civil penalty for a third or subsequent violation of a posted speed restriction in a work zone within the same calendar year from \$40 to \$80. A citation issued for a work zone speed control system must include a notice of the increased penalty.

Fiscal Summary

State Effect: Special fund revenues increase, likely minimally, beginning in FY 2019. Special fund expenditures increase, also minimally, beginning in FY 2019, as discussed below.

Local Effect: The bill does not materially affect local operations or finances.

Small Business Effect: Potential minimal.

Analysis

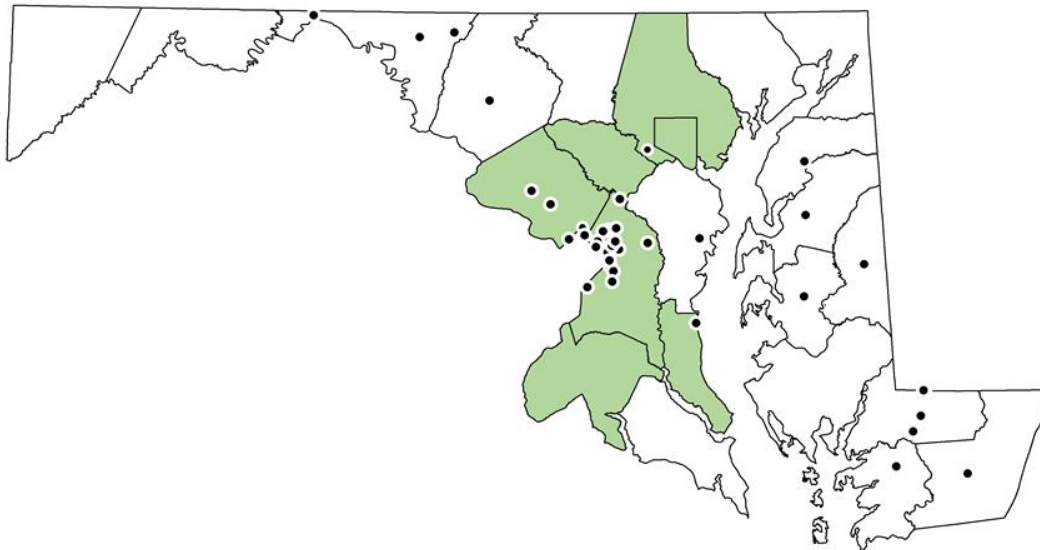
Current Law: Unless the driver of a motor vehicle received a citation from a police officer at the time of the violation, the owner or driver of the vehicle is subject to a civil penalty if the vehicle is recorded speeding at least 12 miles per hour above the posted work zone speed. The maximum fine for a citation issued by a work zone speed monitoring system operator is \$40. The prepayable amount is set by regulation at \$40.

Any revenues received from civil fines collected through the use of the work zone speed control system must be distributed to the Department of State Police (DSP) and the State Highway Administration (SHA) to cover their costs of implementing and

administering the systems. After those costs are reimbursed, statute specifies, through fiscal 2018, amounts to be distributed to DSP for the purchase of replacement vehicles and related equipment. Any remaining balance is then distributed to DSP to fund roadside enforcement activities.

Background: According to the Insurance Institute for Highway Safety, 142 jurisdictions across the nation use speed cameras. In addition, Illinois, Maryland, and Oregon use speed cameras statewide in work zones. In Maryland, speed cameras are used in six counties and Baltimore City; in 38 other jurisdictions; and by SHA on a statewide basis for work zones. **Exhibit 1** shows local speed camera usage across the State as of January 2018.

Exhibit 1
Local Speed Monitoring System Enforcement in Maryland
January 2018



Note: ● represents municipal corporations that operate speed monitoring systems; ■ represents counties that operate speed monitoring systems. Speed cameras are also operated in highway work zones statewide.

Source: Insurance Institute for Highway Safety; Comptroller's Office; Department of Legislative Services

In fiscal 2017, about \$7.6 million was collected from the payment of citations generated by work zone speed control systems. That same year, reimbursed costs for SHA totaled approximately \$5.0 million, while reimbursed DSP costs (salaries and fringe benefits) totaled about \$756,700. As shown in **Exhibit 2**, revenues have generally decreased as compliance has increased.

Exhibit 2
Revenues from Work Zone Speed Control System Citations
Fiscal 2013-2017
(\$ in Millions)

<u>Fiscal Year</u>	<u>Revenues</u>
2013	\$16.4
2014	14.9
2015	13.3
2016	9.1
2017	7.6

Source: Maryland Department of Transportation

State Revenues: Because SHA currently recoups its costs from existing fine revenues, this analysis assumes any increase in revenues under the bill generally accrues to DSP for roadside enforcement. Even so, a reliable estimate of the increase in special fund revenues cannot be made due to uncertainty regarding the number of paid future work zone speed control system citations. The Maryland Department of Transportation advises that approximately 359,600 citations were issued by work zone speed monitoring systems in fiscal 2017; of those, 6,120 (or about 1.7%) were for vehicle registration numbers that had three or more violations. Under the bill, those 6,120 citations would be subject to a higher penalty. Not all citations result in a \$40 payment; drivers may dispute a ticket in District Court by requesting a trial or submit a sworn statement to SHA indicating that someone else was driving the vehicle at the time the image was captured.

For illustrative purposes only, however, if all 6,120 of those citations carried an \$80 fine, fine revenues would total \$489,600 (compared to \$244,800 if all citations continued to carry a \$40 fine) in a full fiscal year. Thus, the net change in revenues under the bill would be \$244,800. However, this example likely overstates the revenue impact of the bill. First, the bill sets the *maximum* penalty for three or more violations at \$80. If the fine is set at an amount lower than \$80, revenues are less significantly impacted. In addition, higher fines generally result in a greater number of contested citations. Under the bill, more individuals may choose to contest the citation in District Court rather than pay the higher fine, in which case revenues may increase by less than the amount indicated above.

The Motor Vehicle Administration currently charges a \$30 administrative flag fee to “release” the flag placed on a vehicle’s registration for an individual’s failure to pay fines associated with work zone citations within the allotted time frame. However, increasing

the civil penalty for a third or subsequent violation (in the same calendar year) does not likely have any meaningful impact on the amount of administrative flag fees received.

State Expenditures: To the extent that revenues increase due to the higher fine, additional funds become available for roadside enforcement activities within DSP. However, based on the likely number of third or subsequent offenders, the amount of any increase in revenues resulting from civil fines is likely in the range of \$250,000 or less each year. Accordingly, DSP expenditures increase by a corresponding amount.

District Court caseloads are not expected to be significantly impacted by the bill.

Additional Information

Prior Introductions: HB 1654 of 2017 was referred to the House Rules and Executive Nominations Committee, but no further action was taken.

Cross File: None.

Information Source(s): Insurance Institute for Highway Safety; Comptroller's Office; Judiciary (Administrative Office of the Courts); Department of State Police; Maryland Department of Transportation; Department of Legislative Services

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