Fiscal Note & Local Impact Statement

123 rd General Assembly of Ohio

BILL:	**Sub. H.B. 114**	DATE:	**June 23, 1999**
STATUS:	**As Reported by House Local Government and Townships**	SPONSOR:	**Rep. Corbin**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **Permits counties, municipalities, and townships to install traffic control signal photo-monitoring devices**

State Fiscal Highlights

STATE FUND	FY 2000	FY 2001	FUTURE YEARS
General Revenue Fund or Highway Operating Fund			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

Note: The state fiscal year is July 1 through June 30. For example, FY 2000 is July 1, 1999 – June 30, 2000.

- The Department of Transportation could incur minimal additional costs to promulgate standards and issue the report required by the bill.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1999	FY 2000	FUTURE YEARS
Counties, municipalities, townships			
Revenues	- 0 -	Potential gain, largely offsetting the cost	Potential gain, largely offsetting the cost
Expenditures	- 0 -	Potential increase between hundreds of thousands and millions of dollars	Potential increase between hundreds of thousands and millions of dollars

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- Counties, municipalities, and townships that choose to utilize PMDs could incur acquisition, installation, and operational costs between hundreds of thousands and millions of dollars. This cost is permissive.

- Counties, municipalities, and townships could also gain additional traffic fine revenue by using PMDs. Presumably, a local government would only choose to purchase or contract for the use of such PMDs if at least a significant portion of the cost were expected to be offset by additional fine revenue.

Detailed Fiscal Analysis

State fiscal effects

The bill requires the Department of Transportation (DOT) to collect information about the effectiveness of photo-monitoring devices (PMDs) and to issue an annual report on their effectiveness. DOT must also adopt standards for local governments to follow when installing and operating PMDs. The Department could incur minimal additional costs to carry out these duties.

Local fiscal effects

The bill permits counties, municipalities, and townships to use photo-monitoring devices (PMDs) or red-light cameras to identify and cite individuals, which run red lights, with civil fines.

Counties, municipalities, and townships that choose to install and use PMDs as permitted in the bill could expect to incur significant costs. Purchasing the hardware for a PMD known as a "red light camera" can cost between $50,000 and $60,000, according to a representative from a private company that sells such equipment. Installation costs range from $5,000 to $15,000. There can also be additional costs of $100,000 to several million dollars for configuring software for a particular city's ticketing system.

On average, the total cost of operating a red light camera system is about $15-$25 per image reviewed, with an average of about 24 images reviewed per camera per day. Therefore, if a local government contracted to have a private firm manage the complete review and ticketing process, the total cost per year could range between $259,00 and $432,000 for an intersection with two cameras. However, local governments would also need police officers to review photographs of offenders and sign traffic citations if they seek to issue citations under the bill.

The costs of operating a red light camera system can vary widely depending on many factors including:

- The number of images that must be examined for each day
- The number of tickets issued per day
- How often the film is checked (e.g. daily, weekly)
- The ticketing process (e.g. how many notices are sent regarding an offense)
- The arrangement for obtaining owner information using the license plate number. This is a particularly important factor when finding information on out-of-state offenders.

Potential revenue gains and cost reductions. Local governments choosing to operate red light camera systems could expect revenue gains from additional traffic fines collected using the PMDs, which would not otherwise have been collected. Over time, these gains could diminish if individuals changed their driving behavior, as a result of the PMDs, so that fewer violations occurred. However, law enforcement and emergency services costs could still decrease, as a

result of fewer accidents. Presumably, a local government would only choose to purchase or contract for the use of such PMDs if at least a significant portion of the cost is expected to be offset by additional fine revenue.

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