



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** Am. H.B. 69 of the 130th G.A.

**Date:** July 18, 2013

**Status:** As Passed by the House

**Sponsor:** Reps. Maag and Mallory

**Local Impact Statement Procedure Required:** Yes

**Contents:** Prohibits, except in certain circumstances, the use of photo-monitoring devices by municipal corporations, counties, townships, and the State Highway Patrol to detect traffic signal light and speed limit violations

### State Fiscal Highlights

- No direct fiscal effect on the state.

### Local Fiscal Highlights

#### LOCAL GOVERNMENT

#### FY 2013 – FUTURE YEARS

#### Certain Municipalities (those using traffic law photo-monitoring devices)

Revenues	Loss of civil fines ranging from up to tens of thousands to a few million dollars annually
Expenditures	Potential annual decrease commensurate with revenue loss

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

- Approximately 16 Ohio municipalities will lose their ability to collect a percentage of civil fine revenue associated with a traffic law violation detected by a photo-monitoring device. The amount of revenue that will be lost annually ranges from up to tens of thousands to a few million dollars. Presumably, in order to adjust to this revenue loss, these municipalities will reduce expenditures, find a revenue replacement, or implement some mix of both expenditure reductions and replacement revenue.

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## Detailed Fiscal Analysis

The bill prohibits, except in certain circumstances, municipal corporations, counties, townships, and the State Highway Patrol from using traffic law photo-monitoring devices to detect traffic signal light and speed limit violations. The bill does permit the use of such a device within a school zone during certain times if a law enforcement officer is present. The prohibition will have no impact on the expenditures or revenues of the state of Ohio, but will reduce the civil fine revenue generated for local governments using such devices.

Generally, a local government using photo-monitoring devices will enter into a contract with a private company to provide the equipment and monitoring necessary to operate the devices. A law enforcement officer of the local government typically examines the image recorded by the device to determine whether a violation has occurred. If the officer determines that a violation has occurred, a notice is sent to the owner of the vehicle. The owner is required to respond by one of the following methods: (1) paying the fine, (2) submitting evidence of an exception to liability, or (3) requesting a hearing. The fine amount is split between the local government and the private company. The percentage split varies from place to place due to a number of factors, for example, the contract practices of the private company, the type of system, and the number of devices.

### Local fiscal effects

#### Local revenue

According to the Insurance Institute for Highway Safety, 16 Ohio municipalities utilize photo-monitoring devices to enforce traffic signal light and/or speed limit violations. As a result of the bill, these municipalities will lose the ability to collect a percentage of civil fine revenue. The amount of revenue that will be lost annually ranges from up to tens of thousands to a few million dollars. The table below provides details on these municipalities, including the type of photo-enforcement devices used, and the estimated annual revenue these devices earn for the local government.

#### Local expenditures

As noted, before a notice of violation is mailed to the owner, the image is reviewed by a law enforcement officer. Additionally, if an owner wants to appeal the violation, a hearing is scheduled with a hearing officer typically appointed by the jurisdiction's public safety director. If the photo-enforcement program is eliminated the jurisdiction may realize some savings by eliminating the need for this review and appeals process. The local governments utilizing these devices may face some costs associated with the termination of their service agreement with the private company that installed and maintains the photo-enforcement system.

<b>Table 1. Municipalities in Ohio Using Photo-Enforcement Devices</b>		
<b>Municipality</b>	<b>Type of Cameras Used*</b>	<b>Estimated Revenue**</b>
Akron	S	\$520,000 (school year 2011-2012)
Ashtabula	R/S	Discontinued in 2011
Cleveland	R/S	\$5.1 million
Columbus	R/S	\$5.1 million
Dayton	R/S	\$2.4 million
East Cleveland	R/S	Not available
Elmwood Place	S	\$900,000 (since 9/2012)
Hamilton	S	\$338,342
Middletown	R	\$186,580
New Miami	S	\$210,000 (since 10/2012)
Northwood	R/S	\$36,506 (2009)
Parma	S	\$571,762 (school year 2009-2010)
Springfield	R	\$287,784
Toledo	R/S	\$3 million
Trotwood	R/S	\$294,000 (2011)
West Carrollton	R/S	\$112,876

\* R = red light camera; S = speed camera

\*\* Unless indicated otherwise, the revenue amount is for FY 2012.

The lost revenue is also likely to have a much broader fiscal effect on these municipalities as that money would no longer be available to support the jurisdiction's budgetary needs, including matters related to law enforcement and public safety in general. As a result, the municipality will have to reduce expenditures, tap into alternative revenue streams, or implement some mix of both expenditure reductions and revenue replacement.

### **State fiscal effects**

As violations detected by photo-monitoring devices are not criminal convictions, do not go on the owner's driving record, and points are not added to their driving record, the bill will have no direct fiscal effect on the state.