

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 361 – HB 1196

March 16, 2015

SUMMARY OF BILL: Requires that fines, fees, and court costs collected by local governments, on or after July 1, 2015, from the use of unmanned traffic cameras be remitted to the State Treasury for deposit into the newly-created Drive to College Fund (DTCF), and earmarks funds in the DTCF for the purpose of providing additional Tennessee Student Assistance (TSA) Awards.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$1,000,000/DTCF

Decrease Local Revenue - Exceeds \$1,000,000

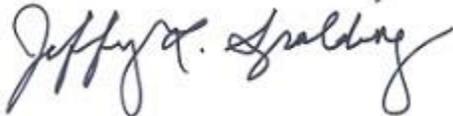
Other Fiscal Impact –The amount of any recurring revenue to the DTCF cannot be determined and is likely to decline over time because it is dependent upon the extent local governments elect to continue operating and enforcing unmanned traffic cameras when there is no longer a direct financial benefit to doing so. Any DTCF revenue received is assumed to be expended for the purpose of making additional Tennessee Student Assistance Awards.

Assumptions:

- There are 19 municipalities across the states that utilize unmanned traffic cameras.
- Fiscal Review Committee staff has obtained revenue data from five cities: Bluff City, Murfreesboro, Gallatin, Clarksville, and Knoxville.
- Based on the reported revenue from these five municipalities, and after operating costs paid to vendors are subtracted, the net amount of revenue realized by these cities is estimated to be approximately \$888,800 each year.
- Including the other 14 cities that use unmanned traffic cameras, the extent of net revenue realized by local governments statewide is reasonably estimated to exceed \$1,000,000 per year. As a result, the recurring decrease in local government revenue is estimated to exceed \$1,000,000 per year.
- Transferring local unmanned traffic camera revenue to the state for the purpose of TSA awards is likely to discourage local governments from continuing to operate unmanned traffic cameras because the applicable local entities will still incur the costs associated with adjudicating the traffic violations detected by the unmanned traffic cameras without a revenue stream to cover any such costs. If this occurs, the amounts transferred to the state will likely be substantially less than \$1,000,000 and potentially zero.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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