

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 392 - SB 462

March 27, 2017

SUMMARY OF BILL: Authorizes local education agencies (LEAs) to install cameras on the exterior of school buses or enter into a contract with a private vendor to provide and install such cameras, for the purpose of recording violations of vehicles that fail to stop upon approaching a school bus. Establishes a fine for each violation. Establishes the procedures and regulations that participating LEAs and law enforcement shall follow relative to the transfer of recordings and the issuance of fines. Requires 70 percent of fine revenue to be used by LEAs to defray the camera's operational or other costs; 20 percent be used by local law enforcement for school safety; five percent be allocated to the LEA for defraying the costs of implementing and administering the program; and five percent be allocated to the state General Fund. Requires warning signs to be posted on the bus.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$900/Recurring/General Fund

Increase Local Revenue – Exceeds \$17,300/Recurring/Permissive

Increase Local Expenditures – Exceeds \$72,800/One-Time/Permissive

Other Fiscal Impact – There will be additional permissive increases in local expenditures for multiple items, including but not limited to, the installation of technology infrastructure for LEAs and law enforcement, storage and transfer of violation data from cameras to law enforcement, future infrastructure upgrades or repairs, costs related to the issuance of fines and subsequent collection, and adding or replacing cameras. Any such additional permissive local expenditures cannot be determined.

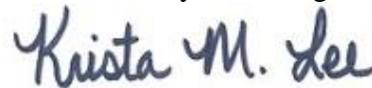
Assumptions:

- The Department of Education's (DOE's) Annual Statistical Report confirms that there are an estimated 9,112 buses in service.
- Based on information from the DOE, the one-time increase in local expenditures to install a stop violation camera is estimated to be \$800 per bus.
- LEAs may choose to pilot an installation program on a portion of their buses and then expand in future fiscal years.

- The total number of buses that will have cameras installed is unknown; however, it is estimated that there will be sufficient LEA participation or pilot programs for a minimum of one percent of the buses currently in service, or a minimum of 91 buses (9,112 x 1.0%), that will have cameras installed.
- The permissive one-time increase in local expenditures for camera installation is estimated to exceed \$72,800 (\$800 x 91 buses).
- Based on information from the DOE's transportation consultants on a similar bill from the previous session, there will be a minimum of four new violations per bus annually if cameras are added; thus a minimum number of annual violations is estimated to be 364 (91 x 4).
- An estimated 80 percent of violations, or 291 (364 x 80.0%), will result in a collection; 20 percent, or 73 (364 x 20%), will not be collected due to indigence.
- The fine amount is estimated to be \$50.
- The recurring increase in state revenue to the General Fund is estimate to exceed \$910 (\$50 x 364 x 5.0%).
- The permissive recurring increase in local revenue is estimated to exceed \$17,290 (\$50 x 364 x 95.0%).
- Based on information received from the Department of Revenue for a previous bill of a similar nature, camera purchases made by local government entities will be tax exempt pursuant to Tenn. Code Ann. § 67-6-329(a)(4). Therefore, no significant change in state or local sales tax revenue.
- Additional one-time and recurring permissive increases in local expenditures are based on multiple unknown factors, including but not limited to, the number of buses that will have cameras installed; the one-time and recurring technology or other infrastructure needs of each LEA and law enforcement agency to effectuate a moving violation program; the number of violations that will be issued each year; and the failure rate of cameras that will need replacing.

CERTIFICATION:

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



Krista M. Lee, Executive Director

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