

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0352-01
Bill No.: SB 24
Subject: Roads and Highways; Transportation; Motor Vehicles
Type: Original
Date: January 21, 2011

Bill Summary: This proposal increases the fine for seat belt violations from \$10 to \$50.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0	\$560,000	\$560,000
Total Estimated Net Effect on General Revenue Fund	\$0	\$560,000	\$560,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
State School Moneys*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Offsetting savings and losses in Fiscal Years 2013 and 2014.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government*	\$560,000	\$0	\$0

*Offsetting Revenues and Losses in Fiscal Years 2013 and 2014.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator (CTS)** state this proposal would increase the fine for failure to wear a safety belt from \$10 to \$50 and allow the failure to wear a safety belt to be admitted when mitigating damages.

Based on FY 2010 data, this fine would apply to 17,679 seat belt infractions. Based on the maximum \$50 fine amount and the average collection rate of 80%, the fine increase would provide an additional \$565,728 $((\$50 - \$10) \times 17,679 \times 80\%)$ annually.

Oversight will round CTS' estimate of increased fine revenue to \$560,000 annually.

Officials from the **Department of Revenue, Department of Public Safety - Director's Office** and **Highway Patrol** as well as the **Department of Transportation** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Elementary and Secondary Education (DESE)** state there is no anticipated state cost to the foundation formula associated with this proposal. To the extent fine revenues exceed 2004 - 2005 collections, any increase in this money distributed to school districts increases the deduction in the foundation formula the following year. Therefore the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Oversight assumes the proposal would result in increased fine revenues to local governments. Oversight assumes the revenues from the increased fines would be distributed to local school districts, which would reduce the distributions the school districts would receive from the state school moneys fund, ultimately resulting in a savings to the General Revenue Fund. Oversight has reflected the fiscal impact to the State School Moneys Fund and General Revenue Fund for fiscal years 2013 and 2014, because any increase in fees distributed to schools increases the deduction in the foundation formula the following year.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE FUND			
<u>Savings</u> – Reduced transfers to State School Moneys Fund	<u>\$0</u>	<u>\$560,000</u>	<u>\$560,000</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$560,000</u>	<u>\$560,000</u>

STATE SCHOOL MONEYS FUND

<u>Savings</u> – Reduced distributions to local school districts	\$0	\$560,000	\$560,000
<u>Losses</u> – Reduced transfers in from General Revenue Fund	<u>\$0</u>	<u>(\$560,000)</u>	<u>(\$560,000)</u>
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
LOCAL GOVERNMENT			
<u>Revenues</u> – Local School Districts Income from fines	\$560,000	\$560,000	\$560,000
<u>Losses</u> – Local School Districts Reduced distributions from State School Moneys Fund	<u>\$0</u>	<u>(\$560,000)</u>	<u>(\$560,000)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>\$560,000</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

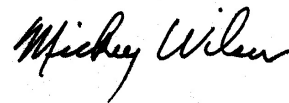
FISCAL DESCRIPTION

This act increases the fine for a seat belt violation from \$10 to \$50.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Department of Public Safety
Department of Transportation
Department of Elementary and Secondary Education
Department of Revenue



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Director
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