

*Commission on Local Government*

**Estimate of Local Fiscal Impact**  
2010 General Assembly Session

**Bill:** HB 839      **Patron:** Carr      **Date:** January 22, 2010

In accordance with the provisions of §30-19.03 – 30-19.03:1.1 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

**I. Bill Summary**

HB 839 provides that fines imposed under certain local ordinances dealing with traffic infractions are to be transmitted to the state treasury and deposited in the Literary Fund, as is the case with fines imposed under state statutes. Under current law, all fines imposed for violations of such local ordinances are paid into the county, city or town treasury.

According to the Auditor of Public Account's (APA's) 2008 Amended Comparative Report of Local Government Revenues and Expenditures, local revenues derived from fines and forfeitures totaled \$96.8 million in Fiscal Year 2008. Of that amount, cities collected \$41.5 million; counties collected \$51.5 million; and the towns reporting data to the APA collected \$3.8 million. For purposes of the report, the APA defines "fines and forfeitures" as "revenues collected by the local government for court fines, parking fines and forfeitures as a result of violations of local ordinances and regulations." Note: All Virginia counties, cities, towns with a population of 3,500 or more, and towns operating a separate school division are required to submit comparative data to the APA annually.

**II. Fiscal Impact Analysis**

The Commission on Local Government (CLG) received fiscal impact statements from 24 localities – the Counties of Albemarle, Arlington, Augusta, Campbell, Fairfax, Fauquier, Henrico, New Kent, Prince Edward, Rappahannock, Roanoke, Rockingham and Spotsylvania; the Cities of Danville, Hopewell, Lynchburg, Norfolk, Richmond, Roanoke and Winchester; and the Towns of Blacksburg, Pulaski, Rocky Mount and South Hill.

One locality – Rappahannock County – indicated that they would not experience a reduction in revenue as a result of HB 839 because the county has not adopted the local ordinances to which the bill applies. Another locality – the City of Roanoke – estimated that they would experience a net reduction of revenue of less than \$5,000.

Twenty-two localities – the Counties of Albemarle, Arlington, Augusta, Campbell, Fairfax, Fauquier, Henrico, New Kent, Prince Edward, Roanoke, Rockingham

and Spotsylvania; the Cities of Danville, Hopewell, Lynchburg, Norfolk, Richmond and Winchester; and the Towns of Blacksburg, Pulaski, Rocky Mount and South Hill – estimated that they would experience a net reduction of revenue of \$5,000 or more. Their estimates were based the amount of fines collected in FY09. In many instances, the responding locality was able to separate out and report the fines collected as a result of violations of the local ordinances specified in HB 839; however, some localities used a percentage of the total fines collected, which was based on historical data. These estimates ranged from \$31,000 to \$ 10,000,000 in total first year reduction in revenues as a result of HB 839 as follows:

	Estimate to CLG:	FY08 APA:
Pulaski Town	\$ 31,000	\$ 44,825
Rocky Mount Town	\$ 43,000	\$ 68,423
Prince Edward County	\$ 44,006	\$ 29,824 <sup>1</sup>
Campbell County	\$ 70,000	\$ 160,047
Hopewell City	\$ 70,000	\$ 155,217
Winchester City	\$ 99,000	\$ 171,521
South Hill Town	\$ 107,000	\$ 112,911
Rockingham County	\$ 125,000	\$ 155,677
Blacksburg Town	\$ 126,000	\$ 286,725
New Kent County	\$ 175,000	\$ 212,547
Augusta County	\$ 190,000 <sup>2</sup>	\$ 195,626
Danville City	\$ 260,000	\$ 560,327
Fauquier County	\$ 300,000	\$ 403,870
Lynchburg City	\$ 454,000	\$ 586,661
Norfolk City	\$ 500,000	\$ 1,317,260
Roanoke County	\$ 500,000	\$ 706,354
Albemarle County	\$ 520,276	\$ 441,600 <sup>3</sup>
Spotsylvania County	\$ 800,000	\$ 974,608
Richmond City	\$ 995,000	\$10,699,404
Arlington County	\$ 1,200,000	\$ 8,049,910
Henrico County	\$ 2,216,815	\$ 2,403,679
Fairfax County	\$10,000,000	\$15,000,423

### III. Conclusion

HB 839 will result in a significant reduction of revenue for the localities in Virginia that have adopted the local ordinances specified in the bill. The fiscal impact of the bill will vary considerably from locality to locality depending on the amount of fines

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<sup>1</sup> Prince Edward County reported the county experienced a significant decrease in fines and forfeitures collected in FY08.

<sup>2</sup> Augusta County reported that they collect \$190,000 in fines and forfeitures on an annual basis but do not know how much of this is directly related to traffic infractions.

<sup>3</sup> Albemarle County reported a \$109,364 increase in fines from traffic violations for FY09.

attributable to violations of these local ordinances. For most of the responding localities, the fines collected as a result of violations of the local ordinances specified in HB 839 represent a majority of the total fines collected by the locality for violations of all local ordinances.