

Commission on Local Government

Estimate of Local Fiscal Impact

2016 General Assembly Session

Bill: HB 960

Patron: Carr

Date: 1/26/2016

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

Bill Summary:

Fines under certain local ordinances paid to local school division and Literary Fund. Provides that fines imposed under certain local ordinances dealing with DUI, disposition of children in juvenile and domestic relations district courts, and appropriate provisions of Title 46.2 (Motor Vehicles) of the Code of Virginia, when those ordinances incorporate Code of Virginia provisions, are to be paid in the following proportions: 50 percent to the school division of the locality in which the fines were imposed and 50 percent into the state treasury to the credit of the Literary Fund.

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**Executive Summary:**

As described in the provisions of HB 960, localities would be required to send (1) 50% of all fines and fees collected for traffic violations, driving while intoxicated, and the disposition of children in juvenile and domestic relations district courts, into the state treasury to the credit of the Literary Fund and (2) 50% of such fines and fees to the school division of the locality in which the fines were imposed.

Localities have evaluated a negative fiscal impact of \$1 - \$1,250,000. The provisions of the bill will affect all local governments whose governing bodies have adopted ordinance per §46.2-1313. Localities indicated if the bill passes, they would need to enact the ordinances to mirror state code for each individual violation in order to avoid the provisions of HB 960. Most localities do not keep data by the type of offense and do not have separate codes for each of the violations affected by this bill. Therefore, the fiscal impacts were difficult to estimate.

Additionally, localities noted that the loss of revenue may require an increase taxes to counter the loss or localities may consider amending ordinances to stop assessing these fines.

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**Local Analysis:**

**Locality:** City of Danville **Estimated Fiscal Impact:** \$210,000.00

This bill would have a significant impact. Title 46.2 of the state code contains all of the traffic violations. 46.2-1300 allows localities to enact similar individual ordinances and keep the fines. The problem with this is that it requires a lot of action by the city council to enact the individual violations and keep them updated over the years as the state legislature changes them. Most localities, including Danville, enact 46.2-1313, which incorporates all of 46.2 into a single ordinance in the locality that says that any changes by the state legislature are incorporated into the local ordinance. It also allows the locality to keep all the fines from those traffic violations.

Should this bill pass, localities may have a lot of work to do enacting ordinances to mirror State Code in order to retain revenue.

The figure provided is a rough estimate. Revenue that comes from court fines is not itemized by infraction or broken down by each payment remitted. It comes in as a single lump sum. After speaking with our Finance Department and Police Department, we are estimating based on 60% of revenue from this area. Revenues have hovered between \$300,000-\$400,000 over the last few years, so we have placed the estimate at \$210,000, which uses the midpoint.

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Locality: City of Falls Church **Estimated Fiscal Impact:** \$450,000.00

The idea of benefiting the education of our children is noteworthy and the City funds the majority of our school operating and capital expenses given the minimal amount of state funding we receive. While the actual fiscal impact on the City of Falls Church will be negligible, as the portion of state funds we receive is so small, we oppose any additional reduction of state funding. Especially in the context of other GA legislation reducing local revenues such as eliminating car tax and the fines and fees taking for the literacy fund.

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**Locality:** City of Lynchburg **Estimated Fiscal Impact:** \$1.00

The Clerk of Circuit Court has no way to separate the funds impacted by this bill. The State would have to design separate codes for each of these funds so the Clerk can report them separately to the State. Without more information an estimate cannot be identified.

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Locality: City of Martinsville **Estimated Fiscal Impact:** \$5,000.00

This estimate is minimal at best. Every dollar taken away from the City and given to the school system impacts the bottom line. The school system will absorb those funds, and will still request full funding. Robin Hood in reverse: taking from the poor and giving to the rich. The City will have to cover the cost of assessing the penalty, but will receive none of the benefit. It will be giving hard-earned funds to those who did nothing to earn them. Localities may consider amending their ordinances and just decide to stop assessing these fines, so everyone loses. Not in favor at all.

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**Locality:** City of Norfolk

**Estimated Fiscal Impact:** \$1.00

Preliminary analysis. The bill as proposed will eliminate the revenue received by localities from fines as a result of DUI traffic violations and the disposition of children in juvenile and domestic relations district courts. Last year, the locality collected \$962,000 in traffic violations alone. Additional research is being conducted to distinguish revenue attributable to DUI and the disposition of children.

**Locality:** City of Roanoke

**Estimated Fiscal Impact:** \$6,000.00

Based on current revenue trends, the fiscal impact could reach \$6,000.

**Locality:** City of Virginia Beach

**Estimated Fiscal Impact:**  
\$1,041,750.00

According to our Courts, we do not have data by type of offense.... just the total revenue collected. Based on the law above, we believe the biggest impact would be for DUIs. They suggested we ask our Police Department how many people are charged with DUIs and then assume an average of \$500 for the fine and a 90% conviction rate. Here is the analysis:

2,315 people charged with DUIs (average of calendar 2013 and 2014... 2015 is not available yet)  
X \$500  
X.9  

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\$1,041,750

**Locality:** City of Winchester

**Estimated Fiscal Impact:** \$0.01

No local ordinances for this

**Locality:** Henrico County

**Estimated Fiscal Impact:**  
\$1,250,000.00

Henrico County collected \$2.5 million in traffic fines in FY15. It can be assumed the first 50% already goes to HCPS as the local contribution is over \$200 million. However, Henrico receives \$0 currently from the Literary Fund and such would not recover any of it.

**Locality:** Rappahannock County

**Estimated Fiscal Impact:** \$10,000.00

Our Sheriff's Office does not charge and we therefor do not impose local fines (or charge under local codes) whenever incarceration may result, so we would not "lose" and DUI fees under this provision-i.e. it would have no effect. The fees we would "lose" is represented by the dollar figure, above.

**Locality:** Rockingham County

**Estimated Fiscal Impact:** \$100,000.00

The County receives revenue of approximately \$100,000 from these fines.

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Locality: Town of Boones Mill

Estimated Fiscal Impact: \$15,000.00

The Town of Boones Mill is located on US 220 between Roanoke and Martinsville. The highway is a corridor of statewide significance with high traffic volume. Traffic safety patrol is one the Town's important responsibilities. The Franklin County sheriff's department has limited patrol resources and in practice leaves traffic enforcement to the Town so as to meet priorities elsewhere.

Boones Mill has two authorized positions for police officers. We are one the smallest full-service police departments in the state. The Town's general fund for FY 16 is \$208,000. In the year to date, revenue from traffic fines is \$16,844. The projection for the year is \$30,000.

Losing half of this revenue would cost the Town about \$15,000. This is fully a 7% reduction of the Town's general fund! We cannot cut police services any smaller without jeopardizing public safety. Tax increases would be a likely consequence.

The County's school system might receive some of the shifted revenue, but this would be of little consolation to the Town and its small but dedicated police force.

HB 960 is bad news.

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**Locality:** Town of Front Royal

**Estimated Fiscal Impact:** \$125,000.00

As written it appears that any fine associated with any traffic violation (not just DUI and JDandR) will be taken from the locality. The Town currently utilizes fine from traffic violations to provide additional funding for our Police Department to continue to provide public safety services.

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