

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

**1. Bill Number:** SB539

**House of Origin** ☒ Introduced ☐ Substitute ☐ Engrossed  
**Second House** ☐ In Committee ☐ Substitute ☐ Enrolled

**2. Patron:** Bagby

**3. Committee:** Transportation

**4. Title:** License plate readers; penalties.

**5. Summary:** The bill provides requirements for the use of license plate readers, defined in the bill, by law-enforcement agencies. The bill requires such agencies to enter into an agreement with the license plate reader owner or other responsible non-law-enforcement entity to operate a data trust, defined in the bill, to store the data collected by a license plate reader and requires any such law-enforcement agency to apply to the data trust for access to such data. The bill limits the use of license plate readers to scanning, detecting, and identifying license plate numbers for the purpose of identifying vehicles involved in certain crimes.

**6. Budget Amendment Necessary:** Yes, Item 416.

**7. Fiscal Impact Estimates:** Preliminary, see Item 8 below.

**8. Fiscal Implications:** This requires state and local law enforcement agencies that use license plate readers (LPRs), including the Department of State Police (VSP), to post and annually update a report detailing the use of LPRs. The bill limits the use of license plate readers to scanning, detecting, and identifying license plate numbers for the purpose of identifying vehicles involved in specific crimes or missing persons. Additionally, this bill also requires VSP to collect data related to the number of queries and cases being investigated as a result of the information.

VSP estimates that the fiscal implications are \$1,500,917 the first year and \$100,000 in the second year. Part of the first-year cost is \$1 million to develop the software and modify the Department's case reporting software (LEAMS) in order to collect this data. The bill requires LPRs to not be capable of photographing, recording, or producing images of the occupants of a motor vehicle. To remove images of occupants inadvertently captured, the images would need to be altered during post-processing on the server. VSP estimates it will need \$100,917 one-time for additional servers and storage for processing images capture by the LPRs. Finally, VSP estimates it will need \$100,000 for software maintenance in the first and second year.

Cost Breakdown	FY 2025	FY 2026
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<b>Vendor Software Development</b>	\$1,000,000	\$0.00
<b>Software Maintenance</b>	\$100,000	\$100,000
<b>Servers and Storage</b>	\$100,917	\$0.00
<b>LPR Software and Technology Upgrade</b>	\$300,000	\$0.00
<b><u>Total:</u></b>	<b><u>\$1,500,917</u></b>	<b><u>\$100,000</u></b>

According to the VSP, image blurring or altering may not be available on the current legacy systems, therefore, the agency expects to need an additional \$300,000 in one-time funding in the first year to upgrade the existing LPR software and technology to meet the requirements in this bill.

The fiscal impact on local law enforcement agencies that utilize LPRs due to reporting requirements is indeterminate at this time. The bill authorizes the Commonwealth Transportation Board to establish a permitting process for installing and using such systems in state highway rights-of-way. It is anticipated that the permitting would be implemented by the Virginia Department of Transportation (VDOT). It is anticipated that VDOT would charge a fee to review requests for permits and any costs associated with the reviews would be covered by revenue collected from such fees.

**9. Specific Agency or Political Subdivisions Affected:** State and local law enforcement agencies.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This bill is similar to HB 920.