

Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: December 18, 2012

SUBJECT: Revised Fiscal Impact Statement – “Safety-Based Traffic Enforcement Amendment Act of 2012”

REFERENCE: Amendment to Bill 19-1013 – Fiscal impact revised to incorporate the proposed amendment and speed limit revisions authorized by the Mayor on November 30, 2012 and December 17, 2012

This revised fiscal impact statement accounts for the fiscal implications of a proposed amendment by the Council to select a fine amount of \$92 for traveling 11 to 15 mph over the posted speed limit in FY 2013 and emergency version of Bill 19-1013. It also accounts for the speed limit increases on six District roadways authorized by the Mayor on November 30, 2012 and December 17, 2012. This replaces the statement issued on November 28, 2012.

Conclusion

Funds are not sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill is estimated to reduce traffic fine collections by \$5.6 million in the FY 2013 budget and by \$60 million over the four year financial plan period. FY 2013 revenues from automated traffic enforcement are expected to be higher than what was originally incorporated into the budget. Thus the proposal can be funded in FY 2013, but not in the out years of the financial plan period.

The implementation of the bill is subject to its inclusion in an approved budget and financial plan starting October 1, 2013.

Background

The proposed amendment reduces the fine for traveling 11 to 15 mph over the posted speed limit from \$100 to \$92 in FY 2013 and then \$75 each year thereafter. The amendment also prohibits the Mayor from issuing emergency orders, rules, or regulations regarding posted speed limits and repeals any emergency rulemakings posted from December 15, 2012 through September 30, 2013.

The Honorable Phil Mendelson

FIS: Amendment to Bill 19-1013, "Safety-Based Traffic Enforcement Amendment Act of 2012," Fiscal impact revised to incorporate the proposed amendment and speed limit revisions authorized by the Mayor on November 30, 2012 and December 17, 2012.

The Mayor issued an emergency rulemaking on December 17, 2012 to increase speed limits in four roadways across the District. The bill would reverse this rulemaking.¹

The bill requires a review of the District's traffic safety programs and reduces the fines for some moving violations. First, the bill requires the Mayor to post signs indicating that the District is a strict traffic enforcement zone and to submit a plan² to expand automated traffic enforcement measures. Second, the Mayor is required to do a citywide speed limit assessment and make it available on the District Department of Transportation's (DDOT) website. The Mayor must then revise speed limits on roadways throughout the District, ensuring that speed limits are comparable for comparable roads.

Lastly, the bill reduces a number of fines for moving violations and requires the Mayor to do an assessment of the impact of reduced fines on traffic safety. The following chart identifies the changes in fines.

Violations	Current Fines	Proposed Fines under Bill 19-1013
Speeding		
Up to 10 mph in excess of limit	\$50 ^a	\$50
11 to 15 mph in excess of limit	\$100 ^a	\$92/\$75 ^b
16 to 20 mph in excess of limit	\$150	\$100
21 to 25 mph in excess of limit	\$200	\$150
Over 25 mph in excess of limit	\$300 ^a	\$250
Right Turn on Red		
Failure to come to a complete stop before turning	\$100	\$50
Violation of a "No Turn on Red" sign	\$100	\$50
Intersections		
Failure to clear an intersection	\$100	\$50
Right-of-Way		
Failure to stop and give right-of-way to pedestrian in roadway ^c	\$250	\$75

Table Notes

^a These fines were changed on November 9, 2012 by an emergency rulemaking.

^b The bill sets the fine for 11 to 15 mph in excess of the speed limit at \$92 for FY 2013 and \$75 for FY 2014 and beyond.

^c The bill also clearly defines that an offense of failing to yield to a pedestrian occurs when the pedestrian is in the motorist's lane or in lane next to the lane in which the vehicle is traveling or onto which it is turning.

Financial Plan Impact

Funds are not sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill is estimated to reduce traffic fine collections by \$5.6 million in the FY 2013 budget and by \$60 million over the four year financial plan period. The Office of Revenue Analysis expects revenues to be higher than currently budgeted amounts, so the overall net impact of the proposed

¹ The Council is considering another emergency bill with the same prohibition.

² The plan should include the number of new cameras, a timeline for implementation, and associated costs.

The Honorable Phil Mendelson

FIS: Amendment to Bill 19-1013, "Safety-Based Traffic Enforcement Amendment Act of 2012," Fiscal impact revised to incorporate the proposed amendment and speed limit revisions authorized by the Mayor on November 30, 2012 and December 17, 2012.

amendment and the permanent and emergency bills is positive revenues of \$62,000 in FY 2013 and a four year reduction in revenues of \$52.5 million.

Four provisions of the bill have a significant impact on District revenue collections. The first is the reduction of the speed fines. The proposed fines will reduce expected fine collections from speeding tickets by approximately \$5.3 million in FY 2013³ and by approximately \$57.6 million over the four-year financial plan period.⁴ The proposed amendment would reduce the fine for speeding 11 to 15 mph over the speed limit from \$100 to \$92 in FY 2013 and to \$75 each year thereafter. Data from FY 2012 suggest that roughly 78 percent of all speeding tickets are issued for speeding 11 to 15 mph in excess of the posted limit. Thus, reduction in the speed fine for this violation has the greatest impact on traffic enforcement revenues.

Additionally, the Mayor's authorization to revise speed limits on District roadways with automated traffic enforcement will reduce future issuances of speeding tickets. The fiscal impact of the November 30, 2012 authorized reduction is accounted for in the reduced revenue collections associated with reducing speeding fines. However, the speed limit changes authorized on December 17, 2012 are being repealed through the emergency bill. This repeal allows for the Council to fund its proposed fine changes in FY 2013 only.

The second provision is the reduction of right turn on red fines from \$100 to \$50. These violations are not enforced through an automated program and the change will reduce revenues received for general traffic fines. The reduction will be \$280,000 in FY 2013 and \$1.8 million over the four year financial plan.

Two additional provisions, which adjust the fines for other moving violations that are not currently enforced through an automated program,⁵ will also result in reduced revenues. These violations include failure to yield right of way to a pedestrian and failure to clear an intersection. Failure to yield to a pedestrian will reduce revenues by \$71,000 in FY 2013 and \$456,000 over the four year financial plan. Failure to clear an intersection will reduce revenues by \$28,000 in FY 2013 and \$179,000 over the four year financial plan.

It is expected that all fine changes will begin April 1, 2013.

Finally, the bill requires that Mayor conducts a speed limit assessment by November 1, 2013 and based on the findings of this study, implement speed limit revisions on January 1, 2014. On November 30, 2012, the Mayor authorized increased speed limits on two roadways that utilize

³ ORA expected over \$113 million in automated traffic enforcement revenues in FY 2013. However, the Mayor reduced fines and increased speed limits, offsetting some of the expected surplus revenues (see the fiscal impact statement issued on November 26, 2012). The proposed amendment and other speed fine changes will reduce the remaining unbudgeted surplus by \$5 million, resulting in a reduction of automated traffic enforcement revenues of \$1.9 million relative to budgeted amounts.

⁴ The current four year budget and financial plan recognizes over \$350 million from automated traffic enforcement. This includes red light camera fines which are not amended in this bill and are roughly 13 percent of automated traffic enforcement fines. The estimate is based on tickets issued through automated enforcement only, since tickets issued by officers are an exceedingly small portion of all tickets.

⁵ Automated enforcement for these violations will begin in 2013, but they are expected to be a very small amount of all tickets issued for these violations.

The Honorable Phil Mendelson

FIS: Amendment to Bill 19-1013, "Safety-Based Traffic Enforcement Amendment Act of 2012," Fiscal impact revised to incorporate the proposed amendment and speed limit revisions authorized by the Mayor on November 30, 2012 and December 17, 2012.

automated traffic enforcement measures: Benning Road, N.E.⁶ and DC 295. On December 17, 2012, the Mayor also authorized changes on four additional roadways: New York Avenue, N.E.,⁷ Bladensburg Road, N.E.,⁸ North Capitol Street,⁹ and Canal Road, N.W.¹⁰ The Office of Revenue Analysis assumes these would be the only revisions the Mayor would authorize on roadways with automated enforcement and there is no longer a direct cost to this provision. As noted above, the reduction in tickets issued in the future is incorporated into the impact analysis of the speed fine reductions.

Certain provisions of the bill have no associated costs or can be absorbed with existing resources throughout the financial plan period and can be implemented immediately. First, DDOT has already begun an assessment of speed limits and there are no additional costs associated with that provision. Next, the Mayor can compile a plan for future automated enforcement expansion. Lastly, the provision which defines when a vehicle must stop for a pedestrian in the roadway can be implemented at no cost.

The implementation of the bill is subject to its inclusion in an approved budget and financial plan starting October 1, 2013.

⁶ Benning Road, N.E. from Oklahoma Avenue, N.E. to Kenilworth Avenue, N.E.

⁷ New York Avenue, N.E. from the Maryland state line to Bladensburg Road, N.E.

⁸ Bladensburg Road, N.E. from Mt. Olivet Road/17th Street, N.E. to New York Avenue, N.E. This change does not impact any automated traffic enforcement measures.

⁹ North Capitol Street from Michigan Avenue to Harewood Road.

¹⁰ Canal Road N.W. from Chain Bridge to Foxhall Road, N.W.

The Honorable Phil Mendelson

FIS: Amendment to Bill 19-1013, "Safety-Based Traffic Enforcement Amendment Act of 2012," Fiscal impact revised to incorporate the proposed amendment and speed limit revisions authorized by the Mayor on November 30, 2012 and December 17, 2012.

Fiscal Impact of All Traffic Enforcement Changes Enacted by the Mayor and Proposed by the Council					
FY 2013 to FY 2016					
(\$ in thousands)					
	FY 2013	FY 2014	FY 2015	FY 2016	Total
Impact on the Local Fund of the Proposed Bill as Amended					
Expected Revenues	\$113,284	\$118,374	\$112,480	\$106,881	\$451,019
Budgeted Revenues ^a	(\$86,172)	(\$92,618)	(\$88,012)	(\$83,636)	(\$350,438)
Unbudgeted Surplus	\$27,112	\$25,756	\$24,486	\$23,245	\$100,581
Cost of Mayor's Fine Changes	(\$14,846)	(\$18,453)	(\$17,531)	(\$16,655)	(\$67,485)
Cost of November 30, 2012 Limit Changes	(\$6,571)	(\$6,662)	(\$6,329)	(\$6,013)	(\$25,575)
Cost of December 17, 2012 Limit Changes	(\$2,573)	(\$3,109)	(\$2,953)	(\$2,806)	(\$11,441)
Unbudgeted Surplus after Mayor Changes	\$3,122	(\$2,468)	(\$2,345)	(\$2,229)	(\$3,920)
Cost of Council Traffic Fine Changes ^b	(\$5,383)	(\$17,715)	(\$16,853)	(\$16,035)	(\$55,986)
Impact on Local Fund ^c	(\$2,261)	(\$18,394)	(\$17,498)	(\$16,649)	(\$54,802)
Impact on the Local Fund After Implementation of the Emergency Bill					
Reversal of the December 17, 2012 Limit Changes	\$2,573	\$3,109	\$2,953	\$2,806	\$11,441
Adjusted Unbudgeted Surplus	\$5,695	\$641	\$608	\$577	\$7,521
Adjusted Cost of Council Traffic Fine Changes ^b	(\$5,633)	(\$19,035)	(\$18,106)	(\$17,266)	(\$60,000)
Final Impact on Local Fund	\$62	(\$18,394)	(\$17,498)	(\$16,649)	(\$52,479)

Table Notes

^a The approved budget is derived from the FY 2013 Proposed Budget and Financial Plan and includes baseline automated traffic enforcement revenues (including red light cameras) and Executive policy proposal revenues.

^b Assumes an implementation of speed fine changes on April 1, 2013. This figure includes changes to failure to yield to a pedestrian and failure to clear an intersection, which will begin automated enforcement in 2013. These infractions comprised a small amount of the expected revenue since the technology is new to the District. Additionally, red light camera revenues are included, but those fines remained unchanged.

^c This impact does not consider the prohibition on the Mayor's ability to issue emergency rulemakings, which is included in the amendment, because the impact is more immediately considered in the emergency bill.