


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:** November 28, 2012

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

**REFERENCE:** Bill 19-1013– Draft Committee Print shared with the Office of Revenue Analysis on November 27, 2012

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**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 \$621,000 in the FY 2013 budget and by \$95.8 million over the four year financial plan period.<sup>1</sup>

**Background**

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 plan<sup>2</sup> 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 website. The Mayor must then revise speed limits on roadways throughout the District, ensuring that speed limits are comparable for comparable arterials.

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.

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<sup>1</sup> A significant portion of the estimated revenue reduction is attributable to the mandated speed limit increases, details of which will not be known until the District’s Department of Transportation completes its study of speed limits. The Office of Revenue Analysis will provide an updated estimate of the fiscal impact of mandated speed limit increases when a specific proposal based on this study is made available to the public.

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

Violations	Current Fines	Proposed Fines under Bill 19-1013
<b>Speeding</b>		
Up to 10 mph in excess of limit	\$75	\$50
11 to 15 mph in excess of limit	\$100 <sup>a</sup>	\$75
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 <sup>a</sup>	\$250
<b>Right Turn on Red</b>		
Failure to come to a complete stop before turning	\$100	\$50
Violation of a "No Turn on Red" sign	\$100	\$50
<b>Intersections</b>		
Failure to clear an intersection	\$100	\$50
<b>Right-of-Way</b>		
Failure to stop and give right-of-way to pedestrian in roadway <sup>b</sup>	\$250	\$75

Table Notes

<sup>a</sup> These fines were changed on November 9, 2012 by an emergency rulemaking.

<sup>b</sup> 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 reduce traffic fine collections \$621,000 in the FY 2013 budget and financial plan and \$95.8 million over the four year financial plan period.

Three 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 fine collections from speeding tickets by approximately \$341,000 in FY 2013 and by approximately \$37.8 million over the four year financial plan period.<sup>3</sup> 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. The reduction in the speed fine from \$100 to \$75 for this violation has the greatest impact on the reduction in speed traffic enforcement revenues.

It is expected these changes will begin April 1, 2013.

The second provision with significant impact is the mandatory revisions to speed limits. The bill requires the Mayor to complete the speed limit assessment by November 1, 2013 and implement speed limit revisions on January 1, 2014. Details of the mandated speed limit increases, specifically which streets will receive speed limit adjustments, will not be known until this study is completed.

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<sup>3</sup> 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.

The Office of Revenue Analysis's estimate for this portion of the bill assumes the roadways with the top five speed cameras by ticket issuance would see an increase in speed limit of at least five miles per hour. This assumption captures the public complaint that some areas where drivers are most likely to receive speeding tickets are "speed traps." Under this assumption, the mandated increases in speed limits are expected to reduce fine revenues by \$56 million over the financial plan period, starting Fiscal Year 2014.<sup>4</sup>

The third 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.

The bill could have additional revenue impact because it adjusts the fines for two other moving violations that are not currently enforced through an automated program. These violations include failure to yield right of way to a pedestrian and failure to clear an intersection. The Office of Revenue Analysis was unable to obtain data regarding how many tickets were issued in FY 2012 for these violations and is therefore unable to accurately assess a cost. However, the fines received from these violations are likely a small share of the non-automated traffic enforcement traffic fine revenues collected. With reductions of 50 to 70 percent in these fine amounts, there will be a small reduction in revenue over the four year financial plan. The Office of Revenue Analysis will update the impact of these fine reductions when additional data is made available.

<b>Fiscal Impact of the Safety-Based Traffic Enforcement Amendment Act of 2012</b> <b>Bill 19-1013</b> <b>FY 2013 to FY 2016</b> <b>(\$ in thousands)</b>					
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>Total</b>
<b>Impact on Automated Traffic Enforcement (ATE) Revenues</b>					
Approved Budget for Automated Traffic Enforcement <sup>a</sup>	\$86,172	\$92,618	\$88,012	\$83,636	\$350,438
Revenues from Automated Traffic Enforcement following Implementation of Speed Fine Changes <sup>b</sup>	\$85,831	\$79,519	\$75,543	\$71,766	\$312,659
Cost of Speed Fine Changes	(\$341)	(\$13,099)	(\$12,469)	(\$11,870)	(\$37,779)
Additional Cost of Speed Limit Changes <sup>c</sup>	\$0	(\$16,211)	(\$20,533)	(\$19,507)	(\$56,251)
<b>Total Impact on ATE Revenues</b>	<b>(\$341)</b>	<b>(\$29,310)</b>	<b>(\$33,002)</b>	<b>(\$31,377)</b>	<b>(\$94,030)</b>
<b>Impact on Traffic Fine Revenues</b>					
Changes to Right Turn on Red Fines	(\$280)	(\$533)	(\$506)	(\$481)	(\$1,800)
<b>Total Cost of Bill 19-1013</b>	<b>(\$621)</b>	<b>(\$29,843)</b>	<b>(\$33,508)</b>	<b>(\$31,858)</b>	<b>(\$95,830)</b>

Table Notes

<sup>a</sup> 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.

<sup>4</sup> Data from January 2012 through August 2012 suggests that the top five revenue generating cameras account for approximately 47 percent of tickets issued.

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FIS: Bill 19-1013, "Safety-Based Traffic Enforcement Amendment Act of 2012," Draft Committee Print shared with the Office of Revenue Analysis on November 27, 2012

<sup>b</sup> Assumes an implementation of speed fine changes on April 1, 2013. This figure also includes red light camera revenues where the fines remained unchanged.

<sup>c</sup> Assumes an implementation of speed limit changes on January 1, 2014. Additionally, the analysis assumes changes to roadways other than those covered by the automated traffic enforcement program will have no fiscal impact.

Certain provisions of the bill have no associated costs or can be absorbed with existing resources and can be implemented immediately. First, DDOT has already begun a citywide 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.