

SENATE AMENDMENTS

2nd Printing

By: Isaac

H.B. No. 1517

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the disposition of fines for traffic violations
3 collected by certain municipalities.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 542.402, Transportation Code, is amended
6 by adding Subsection (f) to read as follows:

7 (f) A municipality may include the revenue of a utility
8 company operating within the municipality as municipal revenue for
9 a fiscal year under Subsection (b) if:

14 SECTION 2. This Act takes effect September 1, 2011.

ADOPTED

MAY 24 2011

Asay, D.
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Eric Lewis, Jr.*

1 Amend H.B. 1517 (senate committee report) as follows:

2 (1) Strike SECTION 1 of the bill (page 1, lines 12-20) and
3 substitute the following:

4 SECTION 1. Section 542.402, Transportation Code, is amended
5 by amending Subsections (a), (c), and (e) and adding Subsections
6 (b-1), (b-2), (d-1), and (f) to read as follows:

7 (a) Except as provided by Subsection (b-1), a [A]
8 municipality or county shall use a fine collected for a violation of
9 a highway law in this title to:

10 (1) construct and maintain roads, bridges, and
11 culverts in the municipality or county;

12 (2) enforce laws regulating the use of highways by
13 motor vehicles; and

14 (3) defray the expense of county traffic officers.

15 (b-1) A county having a population of less than 5,000 may
16 use a fine collected for a violation of a highway law as the county
17 determines appropriate.

18 (b-2) In each fiscal year, a county having a population of
19 less than 5,000 may retain, from fines collected for violations of
20 this title and from special expenses collected under Article
21 45.051, Code of Criminal Procedure, in cases in which a violation of
22 this title is alleged, an amount equal to 30 percent of the county's
23 revenue for the preceding fiscal year from all sources, other than
24 federal funds and bond proceeds, as shown by an audit performed
25 under Chapter 115, Local Government Code. After a county has
26 retained that amount, the county shall send to the comptroller any
27 portion of a fine or a special expense collected that exceeds \$1.

28 (c) The comptroller shall enforce Subsections [Subsection]
29 (b) and (b-1).

1 (d-1) In a fiscal year in which a county retains from fines
2 and special expenses collected for violations of this title an
3 amount equal to at least 20 percent of the county's revenue for the
4 preceding fiscal year from all sources other than federal funds and
5 bond proceeds, not later than the 120th day after the last day of
6 the county's fiscal year, the county shall send to the comptroller:

7 (1) a copy of the county's financial statement; and
8 (2) a report that shows the total amount collected for
9 that fiscal year from fines and special expenses under Subsection
10 (b-1).

11 (e) If an audit is conducted by the comptroller under
12 Subsection (c) and it is determined that the municipality or county
13 is retaining more than 20 percent of the amounts under Subsection
14 (b) or (b-1), as applicable, and has not complied with Subsection
15 (d) or (d-1), as applicable, the municipality shall pay the costs
16 incurred by the comptroller in conducting the audit.

17 (f) A municipality may include the revenue of a utility
18 company operating within the municipality as municipal revenue for
19 a fiscal year under Subsection (b) if:

20 (1) the municipality has a population of more than
21 1,000 but less than 1,200; and
22 (2) part of the municipality's boundary is a river that
23 forms part of the boundary between two counties.

24 (2) Add the following appropriately numbered SECTION to the
25 bill and renumber the subsequent SECTION accordingly:

26 SECTION _____. The change in law made by this Act in amending
27 Sections 542.402(c) and (e) and in adding Sections 542.402(b-1) and
28 (d-1) applies only to the fiscal year of a county that begins on or
29 after the effective date of this Act.

ADOPTED

MAY 24 2011

FLOOR AMENDMENT NO. *Patay, Drew* Secretary of the Senate

BY: *Shane Hogan*

Floor Amendment No. 1 (Lucio)

1 Amend H.B. No. 1517 (~~senate committee report~~), in SECTION 1
2 of the ~~bill~~, in added Section 542.402(f), Transportation Code (page
3 2, line 17), by striking "of" and substituting "generated from
4 services provided in the municipality by".

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 25, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1517 by Isaac (Relating to the disposition of fines for traffic violations collected by certain municipalities.), **As Passed 2nd House**

Depending upon the number of counties that would participate, the amount of their budgets, and the amount of any qualifying fines collected, there could be an indeterminate revenue impact to the state.

The bill would amend the Transportation Code to authorize counties with a population of less than 5,000 to retain, from fines collected for violations of highway law, an amount equal to 30 percent of the county's revenue for the preceding fiscal year from all sources, other than federal funds and bond proceeds. After retaining that amount, a county would remit any portion of a fine or special expense collected that exceeded \$1 to the Comptroller of Public Accounts (CPA). A county could use the fine collected from a violation of a highway law as the county determined appropriate.

In any fiscal year that a county retained an amount equal to at least 20 percent of the county's revenue for the preceding fiscal year from all sources, other than federal funds and bond proceeds, a county would be required to send a copy of the county's financial statement and a report showing the total amount collected from fines and special expenses to the CPA not later than 120 days after the last day of a county's fiscal year.

Under current statute, all municipalities or counties are required to use a fine collected for a violation of a highway law under Title 7 to construct and maintain roads, bridges, and culverts; to enforce laws regulating the use of highways; and to defray expenses for county traffic officers.

A local governmental entity would be required to pay the costs of an audit conducted by the CPA if it is determined during an audit that the entity is retaining more than 20 percent or is not in compliance with the reporting requirements.

Other provisions of the bill would apply only to a municipality with a population of more than 1,000 but less than 1,200 and the boundary is a river that forms part of the boundary between two counties.

According to the analysis of the CPA, the U.S. Census Bureau's April 2010 census population count indicated there were 51 counties with a population of less than 5,000. Because the counties that would participate, the amount of their budgets and the amount of any qualifying fines collected are unknown, the fiscal implications to the state cannot be determined. CPA reported there would be no administrative costs.

Local Government Impact

There could be a positive fiscal impact to an applicable county to retain the allowable amounts from specified sources, but the amounts would vary depending on the amount of revenue received from fines and special expenses. In addition, some of the revenue would offset costs incurred. No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KJG, TP, SD

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 10, 2011

TO: Honorable Tommy Williams, Chair, Senate Committee on Transportation & Homeland Security

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1517 by Isaac (Relating to the disposition of fines for traffic violations collected by certain municipalities.), As Engrossed

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, KJG, TP

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 11, 2011

TO: Honorable Larry Phillips, Chair, House Committee on Transportation
FROM: John S O'Brien, Director, Legislative Budget Board
IN RE: HB1517 by Isaac (Relating to the disposition of fines for traffic violations collected by certain municipalities.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, KJG, TP