

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1227 (Montgomery County Delegation)
Environment and Transportation

Montgomery County - Vehicle Control and Monitoring Systems - Distribution of
Contested Traffic Fines, Application, and Implementation
MC 8-25

This bill (1) alters requirements related to the collection and distribution of *contested* traffic fines from certain automated enforcement systems in Montgomery County only and (2) restricts the permitted uses of those automated enforcement system revenues after cost recovery. The bill also alters existing requirements related to permitted locations of school bus stops in the county. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: General fund revenues decrease and Transportation Trust Fund (TTF) revenues increase beginning in FY 2026 due to a reallocation of specified fine revenues, as discussed below. TTF expenditures increase beginning in FY 2026 as the State Highway Administration (SHA) uses the newly reallocated revenues as directed under the bill. In FY 2026 only, general fund expenditures for the Judiciary increase by approximately \$7,000 for reprogramming.

Local Effect: Montgomery County revenues increase beginning in FY 2026 as contested citation revenues are remitted to the county (instead of the general fund); expenditures increase by approximately the same amount due to the bill's requirement that fine revenues (in contested cases) be transferred to SHA for median divider construction, after any cost recovery.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary/Current Law:

Collection and Disposition of Fines

The bill alters existing statutory provisions governing the collection and disposition of fine revenues generated from specified automated monitoring systems. Under current law, in each jurisdiction, penalties from contested citations issued by the following automated enforcement systems must be paid directly to the District Court:

- traffic control signal monitoring systems or work zone speed control systems controlled by a State agency;
- vehicle height monitoring systems;
- traffic control signal monitoring systems;
- speed monitoring systems;
- stop sign monitoring systems;
- school bus monitoring cameras;
- bus lane monitoring systems; and
- noise abatement monitoring systems.

Revenues collected by the District Court as a result of a contested citation (*i.e.*, after an individual contests a citation issued by any of the above systems, is found guilty, and pays the fine) are remitted to the general fund (rather than the relevant local jurisdiction).

Under the bill, any such revenues generated from automated enforcement systems in Montgomery County are instead paid directly to the county beginning October 1, 2025. *For all other jurisdictions* operating the automated enforcement systems noted above, contested citation revenues resulting from guilty dispositions continue to be paid to the District Court (and retained by the general fund).

Under current law (and unchanged by the bill), in an uncontested case, the penalty is paid directly to the local jurisdiction controlling the automated enforcement system.

Permitted Uses of Automated Enforcement Revenues

Under current law, with limited exceptions, from the fines collected by a political subdivision as a result of violations enforced by automated enforcement systems, the political subdivision may (1) recover its implementation and administrative costs and (2) spend any remaining balance on public safety purposes (including pedestrian or highway safety programs). However, for most speed monitoring systems, if the balance

remaining from the fines collected after cost recovery is greater than 10% of the total revenues of the political subdivision for the fiscal year, the political subdivision must remit any funds exceeding the 10% threshold to the Comptroller, which then must remit the monies to the general fund.

As noted above, under current law, local jurisdictions do not receive revenues from fines collected in *contested* cases. The bill, therefore, establishes requirements for the distribution and use of such revenues by Montgomery County only, beginning October 1, 2025 (once fines from such cases begin to be paid directly to the county). Specifically, the bill requires that any balance remaining after cost recovery for specified automated enforcement systems be remitted to the Comptroller for distribution to SHA. SHA must solely use these fine revenues to assist in covering the cost to construct median dividers on highways in Montgomery County where (1) a school bus stop is located and (2) at least 400 citations have been issued to drivers traveling in the opposite direction of the bus stop.

Alteration of Current School Bus Stop Provisions

Under current law, in Montgomery County only, a school bus stop may not be located on any highway with five or more undivided traffic lanes unless (1) a school crossing guard is posted at the school bus stop to assist students in crossing the highway or (2) a traffic control device that maintains a red signal while a student is boarding or exiting a school bus is placed at the school bus stop. However, these provisions only apply beginning December 31, 2026. The bill alters this provision by extending the start date of the requirement to December 31, 2028. In addition, the bill narrows the requirement to only apply to a school bus stop in Montgomery County at a location for which at least 400 citations have been issued to drivers traveling in the opposite direction of the school bus stop.

State Fiscal Effect: Under the bill, State finances are affected in multiple ways.

General fund revenues decrease beginning in fiscal 2026, as contested fine revenues from the affected automated enforcement systems are no longer remitted to the general fund (and instead must be remitted directly to Montgomery County for distribution to SHA after cost recovery for implementation/administrative costs). Based on fiscal 2024 data from the Judiciary, the foregone general fund revenues under the bill may total approximately \$60,000; however fiscal 2023 data indicates a higher amount of fine revenues collected after guilty dispositions following appeals (more than \$100,000).

As noted above, while Montgomery County directly collects both uncontested and contested automated enforcement citations under the bill, any remaining revenues after cost recovery from *contested* citations must be remitted to the Comptroller for distribution to

SHA for median divider construction. Thus, TTF revenues and expenditures increase to the extent that these penalty revenues – after cost recovery – must be remitted to the Comptroller and used for the authorized purposes under the bill.

For context, SHA has noted in prior years that the costs for such projects total between \$20,000 and \$150,000 per location, depending on specific roadway characteristics of the location. These costs do not include potential right-of-way costs that may also be incurred for such roadway projects. Montgomery County advises that, in fiscal 2024 alone, 11 blocks would have met the criteria established by the bill. Thus, total expenditures needed to cover the locations meeting the bill’s criteria could be roughly \$220,000 to \$1.7 million. (However, as the bill does not specify the timeframe within which the citations must have been issued, Montgomery County advises that significantly more blocks could be construed to meet the criteria – 80 blocks since 2018.)

In fiscal 2026 only, the Judiciary must make one-time reprogramming changes totaling approximately \$7,000 to allow for contested citation revenues to be remitted directly to Montgomery County.

Local Fiscal Effect: Under the bill, Montgomery County directly collects all automated enforcement citation revenues (*i.e.*, both uncontested and contested citation revenues). While it is assumed that revenues from *uncontested* citations continue to be available for general public safety purposes (after cost recovery and subject to the 10% threshold referenced above), under the bill the county must remit any remaining funds after cost recovery from *contested* citations to SHA for median construction within the county, as specified. Thus, Montgomery County revenues and expenditures increase under the bill (due to the requirement that the county collect and then remit a portion of revenues to SHA). Additionally, the county will also have more revenue available for cost recovery than under current law, as contested citation revenues could be used for cost recovery under the bill (but not under current law).

Finally, the bill’s modification of an existing requirement that school bus stops may not be located in certain locations (*i.e.*, any highway with five or more undivided traffic lanes unless specific conditions are met) likely narrows the number of applicable locations and could reduce (as well as delay) county expenditures compared to the broader (and earlier) requirement under current law. Even so, for context, Montgomery County advises that to the extent school bus stops are unable to be moved, the county may need to hire as many as 13 crossing guards with estimated costs of more than \$500,000 on an annual basis.

Small Business Effect: Under the bill, the requirement that existing general fund revenues be redistributed to SHA for median construction at certain school bus stops could result in additional construction projects in Montgomery County; any small business construction companies could benefit from new projects.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Montgomery County; Comptroller's Office; Judiciary (Administrative Office of the Courts); Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2025
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