

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE

House Bill 392 (Delegate Frush)
 Environmental Matters

District Court - Traffic Citations - Payment of Fines

This bill requires the Chief Judge of the District Court, in conjunction with the State Comptroller, to establish a program to accept online payment of traffic citations. A traffic citation must contain the mailing address and the electronic address to which a fine is remitted.

Fiscal Summary

State Effect: General fund expenditures of \$1.3 million in FY 2004, accounting for a January 1, 2004 start date. Funding includes maintenance and transaction costs and modifications to the District Court traffic case management system. Administrative efficiency savings may be generated but cannot be reliably predicted at this time.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1,318,900	919,400	967,300	1,018,100	1,071,900
Net Effect	(\$1,318,900)	(\$919,400)	(\$967,300)	(\$1,018,100)	(\$1,071,900)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Chief Judge of the District Court, in conjunction with the Comptroller, must establish a system for the collection and remittance of costs, fines, penalties, and forfeitures that are collected by the District Court.

A traffic citation must contain: (1) a notice to appear in court; (2) the name and mailing address of the person cited; (3) the number of the person's driver's license and vehicle registration number, if applicable; (4) the violation charged; (5) the time and place for the required court appearance; and (6) a statement acknowledging receipt of the citation. In addition to any other necessary information, the citation must contain a clear and conspicuous statement that signing the citation does not constitute an admission of guilt, and that failure to sign the citation may subject the person to arrest.

State Expenditures: General fund expenditures for the District Court are expected to increase by \$1,318,917 in fiscal 2004, accounting for a January 1, 2004 start-up date. The online payment program for citations could not begin before January 1, 2004. The experience of the Motor Vehicle Administration's (MVA) credit card operations program was used as a basis for projections.

The District Court processes about 1.2 million traffic tickets annually. The caseload is expected to increase about 5% annually. About 70% of those who receive a traffic citation prepay the fine. Of those who prepay, it is assumed that about 30% would use online payment. The District Court would need four reconciliation accountants to process online citation payments and verify the payments. Two half-time employees are required for ongoing traffic case database management, application support, and system upgrades. During fiscal 2004, the District Court would employ five consultants for software development, analysis, and project management. Another significant cost in the first year and for the future would be bank fees. The District Court advises that the MVA spends about \$1 million annually on bank fees for its credit card system. The fiscal 2004 expenditure of \$600,000 assumes that the District Court would manage about 60% of the online payment caseload managed by the MVA, and incur about 60% of the bank fees accordingly. Bank fee expenditures are assumed to increase 5% annually, in keeping with anticipated growth in the volume of people expected to use an online payment system. The fiscal 2004 estimate reflects ongoing operating expenditures and one-time expenditures for computer equipment and office furniture. Anticipated costs in fiscal 2005 based on a full year of operation are also shown:

	<u>FY 2004</u>	<u>FY 2005</u>
Salaries and Fringe Benefits	\$87,373	\$180,164
Contractual Employment	565,284	108,680
Bank Fees	600,000	630,000
Other Operating Expenses	<u>66,260</u>	<u>525</u>
Total State Expenditures	\$1,318,917	\$919,369

Future year expenditures reflect: (1) full salaries with 4.5% annual increases and 3% employee turnover for permanent employees and 6.8% turnover for contractual employees; (2) 5% increase in bank fees; and (3) 1% increase in other operating expenditures.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Department of Transportation, Department of Legislative Services

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