Department of Legislative Services

Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1365 (Delegate Wivell, *et al.*)
Environment and Transportation

Vehicle Laws - Speed Monitoring Systems - Operation in School Zones (Truth in Speed Cameras Act of 2018)

This bill requires a local jurisdiction to ensure that signage designating a school zone is proximate to a device that displays a real-time posting of the speed of a driver prior to activating a speed monitoring system. The bill also limits permitted hours of operation for speed monitoring systems in school zones from one hour before until one hour after instructional hours on school days. In addition, school zone speed monitoring systems may operate only on a highway in the school zone that fronts the main entrance or the entrance that experiences the greatest amount of student and school bus traffic. Finally, the bill limits a speed monitoring system contractor's fees to 30% or less of the gross revenue generated by the system. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: General fund revenues decrease, potentially significantly, beginning in FY 2019 due to fewer contested cases in District Court. Expenditures are likely not materially affected.

Local Effect: Local revenues decrease, potentially significantly, beginning in FY 2019 due to the reduced hours of operation for school zone speed cameras, limits on locations, and requirement for real-time posting of a driver's speed. Expenditures also increase in FY 2019 for jurisdictions that do not already have the required equipment for displaying real-time vehicle speeds, as discussed below. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Minimal.

Analysis

Current Law/Background: Speed monitoring systems must be authorized in a local jurisdiction by the governing body of the jurisdiction but only after reasonable notice and a public hearing. Before activating a speed monitoring system, a local jurisdiction must publish notice of the location of the speed monitoring system on its website and in a newspaper of general circulation in the jurisdiction. In addition, the jurisdiction must also ensure that each sign that designates a school zone is proximate to a sign that (1) indicates that speed monitoring systems are in use in the school zone and (2) conforms with specified traffic control device standards adopted by the State Highway Administration.

A speed monitoring system in a school zone may operate only Monday through Friday between 6:00 a.m. and 8:00 p.m.

An agency (or an agent or contractor designated by the agency) must administer and process civil citations in coordination with the District Court. If a contractor operates a speed monitoring systems or administers or processes citations generated by a speed monitoring systems on behalf of a local jurisdiction, the contractor's fee may not be contingent on a per-ticket basis on the number of citations issued or paid.

A complete discussion of speed monitoring systems in the State can be found in the **Appendix – Speed Monitoring Systems.**

State Fiscal Effect: Under the bill, the number of citations issued in local jurisdictions is expected to decrease significantly. As a result, the number of individuals opting for a trial in District Court is likely to decline. Although the potential decrease in cases cannot be reliably estimated, general fund revenues are likely to also decrease significantly, as fine revenues paid by individuals convicted in District Court are paid into the general fund.

Although District Court caseloads are also likely to decrease, expenditures are not anticipated to be significantly affected. The decrease in caseloads may have a positive impact on District Court operations, however.

Local Fiscal Effect: Local revenues decrease, likely significantly, due to several factors. First, the bill requires a device that displays the real-time speed of a driver *prior* to activating a speed monitoring system. Any systems currently operating without such a device must be deactivated until such time as one is in place at each operational location. Second, when such a device is activated and proximate to signage designating the school zone, a driver whose speed is above the threshold for receiving a citation is more likely to reduce his or her speed and avoid being cited for a violation. Third, the bill limits the locations where speed cameras may be operated in school zones – essentially at the main entrance or the entrance with the greatest student and school bus traffic. It is not clear how

many systems operate outside of these new parameters. Fourth, the bill reduces the hours of operation for speed monitoring systems located in school zones; the impact of this provision depends on the extent to which systems use the current authorization to operate for 14 hours a day, Monday through Friday.

The number of speed cameras placed near schools (as compared to non-school zone speed cameras) is not known, so it is not possible to estimate how these factors affect local revenues. Nevertheless, given that the authorization for school zone speed cameras has been in effect since 2006 in some locations, this analysis assumes that the number of cameras in school zones represents a significant portion of the total number of speed cameras in the State.

Further, until they are able to place the devices that post the real-time speed of drivers, the speed monitoring systems may not be operational. Montgomery County advises that the bill's provisions may result in shutting down its program, thereby eliminating the revenue stream altogether. The City of Frederick likewise advises it would need to shut down its program – likely for several months to a year – in order to purchase the required signage through the normal procurement process and obtain the necessary budget approvals. Baltimore County also advises that the bill could result in shutting down its program; to the extent the program is maintained, the county anticipates a revenue decrease of at least $500,000 to $1.0 million annually. Baltimore City advises that it anticipates the reduction in speed camera hours to reduce revenues by $2.8 million annually; the city also estimates that changes in driver behavior would reduce revenues by an additional $2.1 million.

The effect on local expenditures to comply with the bill is less clear. Depending on the number of speed cameras near school zones in local jurisdictions, costs to obtain the new signage could be significant. For example, Baltimore City anticipates spending $300,000 for the signage in fiscal 2019, with additional replacement and maintenance costs in future years; Baltimore County advises this provision could increase costs by 10% to 15%. For jurisdictions that either opt to shut down their programs entirely or must do so temporarily, current costs associated with their school zone speed monitoring systems are eliminated, subject to any residual contractual obligations.

Finally, the bill's requirement related to speed camera contractor fees may affect any jurisdictions that are currently allowing contractors to receive more than 30% of gross revenues. None of the jurisdictions contacted by the Department of Legislative Services highlighted a concern with this provision *alone*, although Baltimore County noted that limiting contractor fees in the manner proposed, in conjunction with the bill's other provisions, may be problematic.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City; Baltimore, Charles, and Montgomery counties; cities of Frederick and Havre de Grace; Comptroller's Office; Maryland Department of Transportation; Department of Legislative Services

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nb/ljm

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Appendix – Speed Monitoring Systems

Speed Monitoring Systems

Chapter 15 of 2006 authorized the first use of speed monitoring systems in the State, but it only applied to highways in school zones and residential districts in Montgomery County. Chapter 500 of 2009 expanded statewide the authorization for the use of speed monitoring systems in school zones and also authorized the use of work zone speed control systems. Chapter 474 of 2010 authorized the use of speed monitoring systems in Prince George's County on a highway located within the grounds of an institution of higher education or on nearby highways under certain circumstances.

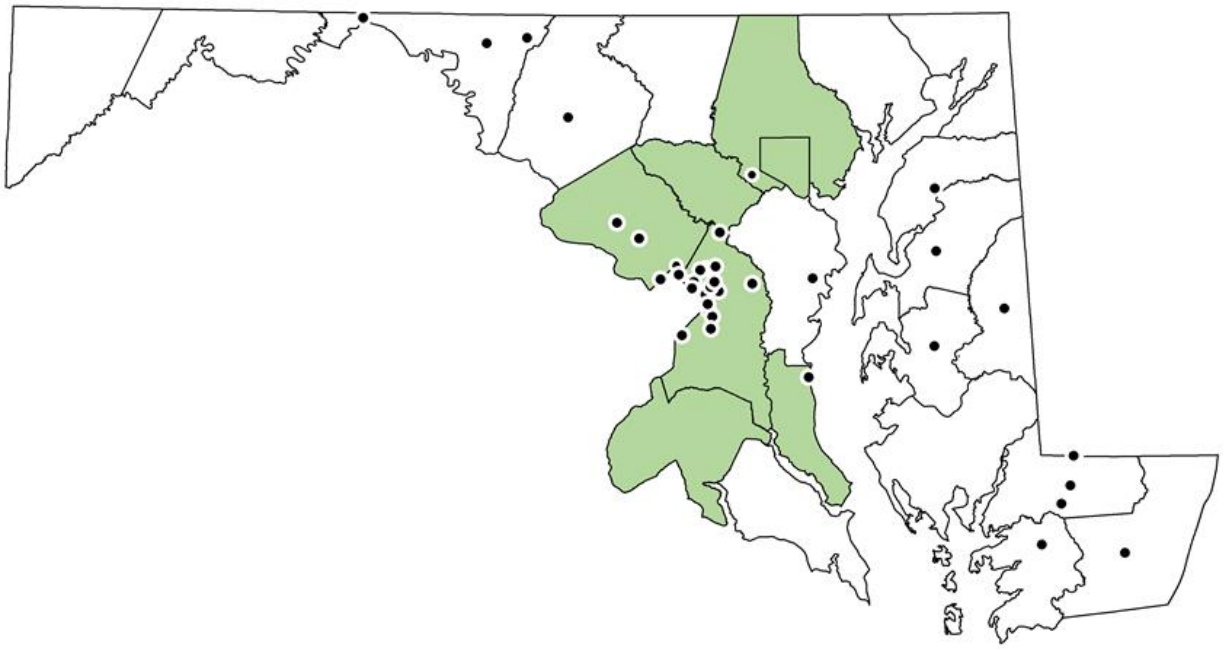
Unless the driver of a motor vehicle received a citation from a police officer at the time of the violation, the owner or driver of the vehicle is subject to a civil penalty if the vehicle is recorded speeding at least 12 miles per hour above the posted speed limit by a speed monitoring system in violation of specified speed restrictions in the Maryland Vehicle Law. The maximum fine for a citation issued by a speed monitoring system operator is $40. However, a local law enforcement or other designated agency operating the speed monitoring system may mail a warning notice instead of a citation.

A speed monitoring system may be placed in a school zone for operation between 6:00 a.m. and 8:00 p.m., Monday through Friday. Before a speed monitoring system may be used in a local jurisdiction, its use must be authorized by the governing body by ordinance or resolution adopted after reasonable notice and a public hearing, and its location must be published on the jurisdiction's website and in a newspaper of general circulation in the jurisdiction.

According to the Insurance Institute for Highway Safety (IIHS), 143 jurisdictions across the nation use speed cameras. In addition, Illinois, Maryland, and Oregon use speed cameras statewide in work zones. In Maryland, speed cameras are used in six counties and Baltimore City, 38 other jurisdictions, and by the State Highway Administration on a statewide basis for work zones. **Exhibit 1** shows local speed camera usage across the State as of January 2018.

From the fines generated by a speed monitoring system, the relevant jurisdiction may recover the costs of implementing the system and may spend any remaining balance solely for public safety purposes, including for pedestrian safety programs. However, if the balance of revenues after cost recovery for any fiscal year is greater than 10% of the jurisdiction's total revenues, the excess must be remitted to the Comptroller. According to data from the Comptroller, as of January 2018, no money was remitted in either fiscal 2017 or 2016 (with data pending from Prince George's County only).

Exhibit 1
Local Speed Monitoring System Enforcement in Maryland
January 2018



Note: ● represents municipal corporations that operate speed monitoring systems; ▭ represents counties that operate speed monitoring systems. Speed cameras are also operated in highway work zones statewide.

Source: Insurance Institute for Highway Safety; Comptroller's Office; Department of Legislative Services

In fiscal 2017, the Comptroller reports that 45 local jurisdictions generated speed monitoring system fine revenues of about $54.8 million, of which about $24.8 million (45.2%) was retained by local jurisdictions for public safety programs after recovery of the costs of implementing the systems (see **Exhibit 2**). Between fiscal 2016 and 2017, total fine revenues decreased by approximately $2.4 million while implementation expenditures decreased by $1.5 million. Net revenues retained for public safety decreased by approximately $451,000 between fiscal 2016 and 2017.

Exhibit 2
Local Speed Monitoring Systems Data (Aggregated)
Fiscal 2014-2017

Fiscal Year	Fine Revenues	System Costs	Net Revenues	Due to State
2017*	$54,802,197	$30,145,731	$24,757,588	-
2016	57,198,345	31,637,019	25,208,963	-
2015	56,966,652	28,794,043	28,175,109	$456,006
2014	53,842,875	32,978,310	20,864,564	-

* As of January 2018; data pending for Prince George's County.

Source: Comptroller's Office; Department of Legislative Services

Speed Monitoring System Reform – Chapter 491 of 2014

The General Assembly passed House Bill 929 of 2014 (enacted as Chapter 491) in response to significant concerns from the public and media scrutiny of speed cameras in Baltimore City and several other jurisdictions. These concerns centered around two common criticisms of speed cameras: (1) that technical issues and insufficient review of recorded images resulted in erroneously generated citations; and (2) that the contracts with vendors were structured in such a manner as to establish an incentive to generate more citations and revenues, thereby casting doubt on the integrity or purpose of speed monitoring programs. Thus, Chapter 491 required jurisdictions to impose new restrictions and requirements on their contracts with speed monitoring vendors and established numerous additional requirements and restrictions pertaining to the issuance of citations, the calibration and self-testing of systems, the review of erroneous citations, and the use and placement of systems in school zones.

Automated Speed Enforcement Efficacy

National and international studies of automated speed enforcement, as well as local program evaluations, provide some insight into the level of effectiveness of such enforcement mechanisms. According to IIHS, several studies have documented reductions in crashes in the vicinities of speed cameras, including crashes that result in an injury or fatality.

A 2015 study by IIHS of speed camera usage in Montgomery County, Maryland, showed long-term changes in driver behavior as well as reductions in injuries and deaths. Montgomery County introduced speed cameras in 2007, and an initial review of the

program by IIHS six months into the program found that the percentage of vehicles going more than 10 miles per hour over the speed limit (which, at that time, was the enforcement threshold) declined by 70% on roads with speed cameras. The 2015 study showed a 59% reduction in the likelihood of a driver exceeding the speed limit by more than 10 miles per hour, compared with similar roads in Virginia without speed cameras. The same comparison showed a 19% reduction in the likelihood that a crash would involve a fatality or an incapacitating injury.

Data from the National Work Zone Safety Information Clearinghouse shows that there were 764 fatalities in highway work zones nationwide in 2016, including 5 in Maryland. The number of work zone fatalities in Maryland in 2016 was unchanged from 2015; both years had the lowest number of fatalities since 2011. On average, the number of work zone fatalities has declined significantly since the program's commencement. Between 2010 and 2016, work zone fatalities averaged 6.6 per year in Maryland, a reduction of about 45% from the seven-year average of 11.9 fatalities per year from 2003 through 2009.

Nationally, there was also a similar, but less significant, drop in work zone fatalities, with a 30% reduction in the average between 2010 and 2016, as compared with the period from 2003 through 2009. Federal data also shows that work zone fatalities, *as a percentage of total traffic fatalities*, have dropped in Maryland, comparing averages from 2003 through 2009 to those from 2010 through 2016. Again, the reduction in Maryland is greater than the similar, but less significant, reduction nationally in terms of the percentage of traffic fatalities occurring in work zones.