

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 230

(Delegate Carr, *et al.*)

Environment and Transportation

Judicial Proceedings

Automated Enforcement - Exclusion of Vehicle Rental Companies - Repeal and
Notification Requirement

This bill, by repealing an exclusion, subjects a motor vehicle rental company, as the owner of a vehicle, to enforcement of certain automated enforcement violations. The bill also establishes a process for issuing citations to any such companies (including electronically) and makes other conforming changes. **The bill takes effect June 1, 2023.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues likely increase by several hundred thousand dollars annually due to additional work zone speed camera citations, as discussed below. TTF expenditures are not materially affected. The District Court's caseload may increase due to more contested citations; however, the Judiciary can handle the additional caseload with existing resources. General fund revenues likely increase minimally beginning in FY 2023.

Local Effect: Local government revenues in jurisdictions that operate automated enforcement systems increase beginning in FY 2023. Any such impact cannot be reliably estimated but is assumed to be minimal overall. Expenditures are not materially affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: With regard to red light cameras and speed cameras, the bill establishes that, prior to sending a citation to a rental company, the relevant agency must send a notice

to the rental company stating that a citation will be sent to the rental company unless, within 45 days of receiving the notice, the rental company provides the agency with:

- a statement under oath of the name and last known address of the individual driving or renting the vehicle when the violation occurred;
- a statement under oath that the vehicle was stolen at the time of the violation; or
- payment for the penalty.

An agency may not send a citation to a rental company if it complies with these requirements.

This process is similar to the existing process for issuing citations to a motor vehicle rental company for a school bus monitoring camera violation. However, the bill repeals a requirement that a copy of a police report be provided in the event a motor vehicle rental company states that a vehicle was stolen at the time a school bus monitoring camera violation occurred. This change conforms to the bill's newly established citation requirements for red light camera and speed camera violations, which do not require a police report to be submitted.

For all three types of automated enforcement systems (red light cameras, school bus monitoring cameras, and speed cameras), the bill establishes that, upon request of a motor vehicle rental company, an agency must send a citation (and any other relevant notices) to the company electronically in a manner prescribed by the rental company.

Current Law: For purposes of red light cameras and speed cameras, the definition of "owner" explicitly excludes a motor vehicle rental company. However, motor vehicle rental companies may be issued citations for school bus monitoring camera violations.

Red Light Cameras: Unless the driver of a motor vehicle receives a citation from a police officer at the time of the violation, the owner or driver of a vehicle recorded by a red light monitoring system entering an intersection against a red signal in violation of the Maryland Vehicle Law is subject to a civil penalty of up to \$100. Red light camera enforcement applies to a violation of specified Maryland Vehicle Law requirements applicable to a vehicle approaching a steady circular red signal or arrow, including (1) stopping at a clearly marked stop line, or crosswalk if there is no stop line, or intersection if there is no crosswalk and (2) remaining stopped until a signal allows the vehicle to proceed.

School Bus Monitoring Cameras: Local jurisdictions may use school bus monitoring camera systems if expressly authorized by the governing body. If authorized, a law enforcement agency, in consultation with the local board of education, may place school bus monitoring cameras on school buses in the county. A recorded image indicating

a violation must include (1) an image of the motor vehicle; (2) an image of at least one of the motor vehicle's registration plates; (3) the time and date of the violation; and (4) to the extent possible, the location of the violation.

Unless the driver receives a citation from a police officer at the time of the violation, the owner of the vehicle (including a motor vehicle rental company) is subject to a civil penalty if the vehicle is recorded by a school bus monitoring camera. (If the District Court finds that the person named in the citation – the owner – was not operating the vehicle at the time of the violation or receives evidence identifying the driver, the law enforcement agency may issue a citation to the operator of the vehicle instead.) The civil penalty may not exceed \$500. The District Court must prescribe a uniform citation form and a civil penalty that may be paid if the person chooses to prepay the civil penalty without appearing in District Court.

Speed Cameras: 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.

State Revenues: Under the bill, the number of citations issued in several jurisdictions across the State is expected to increase, as some violations become enforceable due to the bill's repeal of the existing rental company exclusion for red light cameras and speed cameras. As a result, the number of individuals opting for a trial in District Court is also likely to increase. Accordingly, general fund revenues also likely increase, as fine revenues paid by individuals convicted in District Court are paid into the general fund.

The State Highway Administration advises that, based on a three-year average of violations captured by the State's work zone speed camera system, the State forgoes about \$952,000 in TTF revenues annually due to the current exclusion for rental car vehicles. Under the bill, some portion of that amount is likely to be remitted to the State. However, the Department of Legislative Services advises that an exact estimate of the impact on TTF revenues cannot be determined at this time due to uncertainty regarding the share of citations that may be paid. Based on forgone annual revenues, in fiscal 2023, TTF revenues could increase by as much as \$79,300 (due to the bill's June 1, 2023 effective date). Again, only a portion of that amount is likely to be remitted to the State.

Local Revenues: Local government revenues increase beginning in fiscal 2023 (although likely only negligibly that year due to the bill's June 1, 2023 effective date) for any local government that operates a red light camera or speed camera program. This analysis

assumes the owner of a rental company either prepays the citation (or provides sufficient identifying information so that the driver may be cited instead). The bill is not anticipated to have any meaningful effect on school bus monitoring citation revenues, as rental companies are already subject to those types of citations under current law.

Repealing the current exclusion for red light cameras and speed cameras may also result in additional contested cases when newly liable owners receive citations. As noted above, revenues from contested cases are deposited into the State general fund. Therefore, any increase in local government revenues may be mitigated by this phenomenon. A more precise estimate of the bill's effect on local government revenues cannot be made without additional data, such as the number of citations in various jurisdictions across the State that are uncollectable annually as a result of the existing rental company exclusion for red light cameras and speed cameras.

Additional Comments: According to the Insurance Institute for Highway Safety, approximately 171 jurisdictions across the nation have speed camera programs (as of February 2022). In Maryland, six counties, Baltimore City, and 41 other jurisdictions use speed cameras. Also, 338 jurisdictions nationwide operate red light camera programs. In Maryland, six counties, Baltimore City, and 22 other jurisdictions use red light cameras. The number of jurisdictions that use school bus monitoring cameras is not known, however.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Howard, Montgomery, and Prince George's counties; Comptroller's Office; Judiciary (Administrative Office of the Courts); Department of State Police; Maryland Department of Transportation; Insurance Institute for Highway Safety; Department of Legislative Services

Fiscal Note History: First Reader - February 2, 2022
fnu2/ljm Third Reader - March 30, 2022
Revised - Amendment(s) - March 30, 2022

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