

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 181** HLS 22RS 492

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 8, 2022	8:56 AM	Author: HOLLIS
Dept./Agy.: Statewide		Analyst: Patrice Thomas
Subject: Prohibits Splitting of Traffic Fines with 3rd Party Vendors		

TRAFFIC/VIOLATIONS OR SEE FISC NOTE LF RV Page 1 of 1
Relative to the splitting of profits, fees, or commissions for traffic fines

Proposed law prohibits the splitting of profits, fees, or commissions with a private entity or company by a state agency, political subdivision, or law enforcement agency, officer, official, or employee, representing the state or a political subdivision, as the case may be, in his official capacity, when funds are received from any traffic violation. Proposed law prohibits a state agency, political subdivision, or law enforcement agency, officer, official, or employee, representing the state or a political subdivision, as the case may be, in his official capacity, from entering an agreement or contract to which the state or any political subdivision thereof is a party providing splitting of profits, fees, or commissions with a private entity or company for any traffic fines. Further, requires the contract to be a public record. Proposed law specifies that a person who violates proposed law will be fined not more than \$10,000, or imprisoned for not more than 10 years, or both.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

Proposed law has an indeterminable impact on Local Funds expenditures. The proposed law criminalizes the splitting of profits, fees, or commissions (past or present) from traffic fines with a private entity or company. The number of local governmental units that have such cost-splitting agreements or contracts is unknown. If a local governmental unit has a cost-splitting agreement for red-light cameras/traffic control devices, the proposed law may increase expenditures as a result of the local governmental unit no longer being able to contract with a 3rd party vendor. Therefore, if a local governmental unit continues operating red-light cameras/traffic control devices, personnel costs may increase as law enforcement officers would be required to perform monitoring services. The LFO is not aware of any local governmental unit operating red-light cameras/traffic control devices without a 3rd party vendor contract. Alternatively, if a local governmental unit ceases operating red-light cameras/traffic control devices, there is no anticipated impact on local govt. expenditures.

Local law enforcement agencies will realize an indeterminable increase in expenditures associated with imprisonment at local jails. The proposed law criminalizes the splitting of profits, fees, or commissions (past or present) from traffic fines with a private entity or company. Under the proposed law, if an officer, official, or employee of a local governmental unit is convicted of confecting, entering, or maintaining any traffic fee-splitting agreement or contract, the maximum imprisonment term is ten years. The cost increase will depend on the number of persons convicted, the minimum sentence an offender serves, and the cost per day for a local law enforcement agency to incarcerate an offender.

REVENUE EXPLANATION

Proposed law has an indeterminable impact on Local Funds revenue as a result of no longer cost splitting traffic fines with a private entity or company. If a local governmental unit has a cost-splitting agreement for traffic fines, the proposed law may increase Local Funds revenue as a result of the local governmental unit no longer splitting traffic fines with a 3rd party vendor. Alternatively, if a local governmental unit has a cost-splitting agreement for traffic fines, the proposed law may decrease Local Funds revenue as a result of the local governmental unit ceases operating red-light cameras/traffic control devices because they are no longer able to contract with a 3rd party vendor.

Proposed law may result in an indeterminable increase in Local Funds revenue as a result of potential fines if an officer, official, or employee representing a political subdivision is convicted of confecting, entering, or maintaining any traffic fee-splitting agreement or contract under this measure. The maximum fine from \$10,000. The potential net effect on sentencing decisions cannot be determined and the potential revenue impact is therefore unknown. The potential revenue will accrue to the local governing authority.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Interim Deputy Fiscal Officer