



HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 67

PRINTER'S NO: 3792

PRIME SPONSOR: Markosek

FISCAL IMPACT SUMMARY	FY 2010/11	FY 2011/12
Expenditure Increase/(Decrease):		
Motor License Fund	Minimal	Minimal
Revenue Increase/(Decrease):		
The Motor License Fund, General Fund, Emergency Medical Services Operating Fund, the Medical Care Availability and Reduction of Error Fund, the Judicial Computer System Augmentation Account, the Access to Justice Account, local government funds (for liquid fuels and direct police action), county funds (court costs), and funds for towing and storage agents of Pittsburgh and Philadelphia.	An indeterminate but likely insignificant increase in revenue to these funds (See Analysis)	An indeterminate but likely insignificant increase in revenue to these funds (See Analysis)

OVERVIEW:

This bill amends the Vehicle Code (Title 75, Pa.C.S.) dealing with junior drivers, usage of interactive wireless communication devices, image displays on vehicles, accident reports, and primary enforcement of certain seat belt provisions.

Summary of Bill Provisions

The bill amends §1503 (persons ineligible for licensing; license issuance to minors; junior driver's license) to impose restrictions on a junior driver, i.e., a driver 16 or 17 years of age, from driving a vehicle with more than one passenger under 18 years of age, but it allows the junior driver with parental or legal guardian to drive a vehicle with passengers who are siblings or relatives who live in the same dwelling as the junior driver. **Although the Senate amended this section, from a fiscal standpoint, the effect of the section is the same.** A violation of this subsection is a summary offense subject to a fine of \$25 pursuant to Section 6502. In addition, surcharges ranging from \$84.50 and \$101.50 are added onto the citation. (See the section below on *Vehicle Code Fines and Surcharges*.)

The bill amends §1538 (school, examination or hearing on accumulation of points or excessive speeding) to stipulate that the 90 day license suspension (plus 120 days for each subsequent offense) for a junior driver convicted of exceeding the speed limit by 26 mph or more shall be in lieu of any penalty imposed by subsection 1538 (d)(1) for driving 31 mph or more over the speed limit, which are currently that (i) the person be required to attend a driver improvement

school, (ii) that the person undergo an examination as provided for in section 1508, and (iii) that the person have his driver's license suspended for a period not exceeding 15 days.

The Senate added the provision to §1538 restricting insurance companies from treating a suspension of a person under 18 years of age differently from a person over 18 years of age and prohibiting the insurance company from increasing premiums, surcharges or rate penalties in a manner different than a person over 18 years of age.

The bill adds a new §3316 to prohibit a junior driver or a driver with a learner's permit from using an interactive wireless communications device while driving, except to contact a 5-1-1 or 9-1-1 service for the purpose of reporting an accident or an emergency or obtaining directions. A person who violates this section commits a summary offense and shall pay a fine of \$100. In addition, surcharges ranging from \$84.50 and \$101.50 are added onto the citation. (See the section below on *Vehicle Code Fines and Surcharges*.) **The Senate amended this provision to limit enforcement to secondary offenses.**

The Senate added provisions amending §§3326 and 3327 to add violations of the proposed §3316 (see above) to those offenses where the fine is doubled in either a construction zone or an emergency response area.

The bill amends §3752 (accident report forms) and 3753 (department to compile, tabulate and analyze accident reports) to require PennDOT to include interactive communication device usage on accident reports and to compile and make a report annually on use of interactive wireless communications devices and vehicular accidents. The report shall be submitted to the committees on Transportation of the Senate and House of Representatives. **The Senate specified that the reports shall biannually compile and make available to the public information on the accident reports concerning junior drivers with multiple passengers under 18 years of age and seatbelt use.**

The bill amends §4527 (television equipment) to expand the prohibition on television equipment in vehicles forward of the back of the driver's seat or visible directly or indirectly by the driver to include any image display device or video, but it expands the exceptions to include image display devices that provide information to the driver related to the task of driving, traffic, road and weather conditions, devices that do not display images while the vehicle is moving, or devices that display images while the vehicle is parked. There were 74 citations issued under this section in 2008.

The Senate added provisions amending §4553 (General Requirements For Other Vehicles Transporting School Children) by removing the word "special" before "school-related event" relative to the use of chartered buses by school districts, but it also restricts the use of chartered buses from transporting children from their residences or designated bus stops.

This bill amends §4581 (restraint systems) subsection (a)(1.1) to create a primary offense for anyone who operates a passenger car, Class I or II truck, classic motor vehicle, antique motor vehicle or motor home and fails to fasten securely to a seat belt system a child four years of age or older but less than eight years of age. Under current law, this is only a secondary offense, which means that a person can only be cited for this violation if the driver is first convicted of another offense. This bill does not change the penalty, which is \$100. There were 1,138 citations issued under this subsection in 2008.

The bill amends §4581 (restraint systems) subsection (a)(2) to require the driver and every passenger between the ages of 8 and 18 to be secured by a seat belt system in a passenger car, Class I or II truck, or motor home as a secondary offense. The significant change is that current law does not require passengers between 8 and 18 to be fastened by a seat belt unless they are in the front seat. This bill keeps this offense as a summary offense with a penalty of \$10. It also restates current law that it is a secondary offense not to wear a seat belt for each driver and front seat passenger over the age of eighteen while in a passenger vehicle, Class I or II truck, classic motor vehicle, antique motor vehicle or motor home. There were 22,478 citations issued under this subsection in 2008.

The bill amends §4581 (restraint systems) to make a violation of subsection (a)(3), which forbids a driver under 18 from operating a vehicle in which the number of passengers exceeds the seat belts, a secondary offense. Under current law, it is a primary offense. There were 113 citations issued under this subsection in 2008.

The Senate removed several provisions from the bill as it left the House:

- *The changes to §1505 (learners' permits) to increase the practical driving time required for a minor applicant for a junior driver's license from 50 hours to 65 hours, adding the stipulation that these hours must include ten hours of nighttime driving and five hours of inclement weather driving.*
- *The amendment to §3714(Careless Driving) to provide for additional penalties for distracted driving.*
- *The amendment to §§6101 and 9010, to provide sanctions against municipalities that violate the uniformity of title provisions of the Vehicle Code.*

The effective date is sixty days.

Governmental Entities Impacted

The responsibilities for the licensing of drivers, regulation of motor vehicles, and compiling accident reports fall under the Deputy Secretary for Safety Administration within PennDOT. The General Appropriation Act of 2009 (Act No. 10A) provided a \$126,939,000 appropriation out of the Motor License Fund to PennDOT for Safety Administration and Licensing for FY 2009/10, and House Bill 2279, which was passed by both the Senate and House of Representatives on June 30, 2010 and presented to the Governor, appropriates \$124,365,000 for this line item for FY 2010/11.

The Pennsylvania State Police and local police departments enforce the Vehicle Code. According to the Pennsylvania Local Fact Sheet (January 7, 2008) published by the Governor's Center for Local Government Services, Department of Community and Economic Development, 1,344 municipalities in Pennsylvania have traditional police forces, 112 municipalities participate with consolidated thirty-three different police services, and 144 municipalities contract for police services. The remaining 1,266 municipalities are exclusively patrolled by the Pennsylvania State Police. The General Appropriation Act of 2009 (Act No. 10A) provided a \$479,018,000 appropriation out of the Motor License Fund to the State Police for traffic control and safety for FY 2000/10, and House Bill 2279 appropriates \$493,312,000 for this line item for FY 2010/11. Local government reported police expenses of \$1,249,165,042 for 2008 according

to financial reports filed with the Department of Community and Economic Development. 2,512 out of 2,562 municipalities filed reports for 2008.

The Philadelphia Traffic Court and Magisterial District Judge Courts are the proper courts for cases dealing with enforcement of the Vehicle Code. The General Appropriation Act of 2009 (Act No. 10A) provides a \$58,986,000 appropriation out of the General Fund for Magisterial District Judges and \$912,000 for the Philadelphia Traffic Court. House Bill 2279 appropriates the same amount. The costs for operating these courts exceed the state appropriations, and the counties and the city of Philadelphia, respectively, cover the difference in the costs.

Vehicle Code Fines and Surcharges

Sections 3571 and 3573 of Title 42 (Judiciary And Judicial Procedure), Pa.C.S., regulate the deposits of the fine revenue in the Vehicle Code. For the fines relating to this bill, there are two formulae on where the money is deposited based upon whether the enforcement action was taken by local police or the State Police. If the fine is the result of local action, then half the funds is deposited in the Motor License Fund and the remaining half is returned to the local government that initiated the action. If the fine is the result of State Police action, then half the money is still deposited in the Motor License Fund as before, but the remaining half is distributed to all municipalities based on the formula in section 4 of the act of June 1, 1956 (P.L.1944, No.655), relating to partial allocation of liquid fuels and fuel use tax proceeds, also known as the Liquid Fuels Distribution Formula. This formula distributes half the funds based on each municipality's population in proportion to the total state population and the other half based on each municipality's local road miles in proportion to the total local road mileage in the state. In FY 2007/08, \$28.5 million was deposited in the Motor License Fund from Vehicle Code fines, \$14 million was returned to municipalities via the Liquid Fuels Distribution formula, and approximately \$14.5 million was returned back to municipalities for local police action.

In addition to fines imposed by the Vehicle Code, five surcharges are added onto traffic citations. For the sections of Title 75 under consideration, the surcharges are as follows:

- \$34.50 Court costs, if no hearing is requested, pursuant to §1725.1 of Title 42 (Judiciary and Judicial Procedure), Pa.C.S., and as annually adjusted for inflation by the Pennsylvania Supreme Court and published in the Pennsylvania Bulletin.
- \$41.50 Court costs, if a hearing is requested, pursuant to §1725.1 of Title 42 (Judiciary and Judicial Procedure), Pa.C.S., and as annually adjusted for inflation by the Pennsylvania Supreme Court and published in the Pennsylvania Bulletin.
- \$10 Emergency Medical Services (EMS) Operating Fund pursuant to §14 of the Emergency Medical Services Act (Act of Jul. 3, 1985, P.L. 164, No. 45).
- \$30 Catastrophic Loss Benefits Continuation Fund (CAT), pursuant §6506 of the Vehicle Code, and transferred to the Medical Care Availability and Reduction of Error Fund (MCARE) pursuant to the Medical Care Availability and Reduction of Error Act (Act of Mar. 20, 2002, P.L. 154, No. 13). In FY 2007/08, \$47.2 million was deposited in this Fund due to this surcharge.
- \$8 Judicial Computer System Augmentation Account pursuant to Chapter 37, Subchapter C, subsections 3733 (a.1)(iv) and 3733(2)(iii) of Title 42 (Judiciary and Judicial Procedure), Pa.C.S.

- \$2 Access to Justice Account pursuant to §§4904, 3733 (a.1)(iv), and 3733(2)(iii) of Title 42 (Judiciary and Judicial Procedure), Pa.C.S.
- \$10 For Philadelphia or Pittsburgh only, pursuant to §6506 of the Vehicle Code, and transferred to each city's towing and storage agent as set forth in §6309.2(e), which is the Philadelphia Parking Authority for Philadelphia and such entity as adopted by ordinance of the city of Pittsburgh.

Pursuant to §3571(c)(2) and (4) of Title 42, Pa.C.S., the Commonwealth currently receives \$15.30 of the amount charged for court costs, which is deposited in the General Fund, and the remainder—\$19.20 for when no hearing is requested or \$26.20 when a hearing *is* requested—is returned to the respective county. These amounts are annually adjusted for inflation as measured by the Consumer Price Index.

A \$100 fine, as in §3316 (new section to prohibit interactive wireless communications) and §4581(a)(1.1)(restraint systems for children four years of age and older but less than eight) has a total penalty cost of \$184.50 (no hearing requested) or \$191.50 (hearing requested) after the surcharges are added to it, or \$194.50 (no hearing requested) or \$201.50 (hearing requested) for Philadelphia and Pittsburgh. A \$25 fine, as in the new offense in §1503 (junior licenses—driving with more than one passenger under 18) has a total penalty cost of \$109.50 (no hearing requested) or \$116.50 (hearing requested), or \$119.50 (no hearing requested) or \$126.50 (hearing requested) for Philadelphia or Pittsburgh. The \$10 fine as in §4581(2) and (3) (restraint systems) is exempt from paying the court costs but still is required to pay the other surcharges. Thus, the total penalty cost for a \$10 fine in §4581 is \$60, or \$70 for Philadelphia or Pittsburgh.

ANALYSIS:

The changes to §1503 (persons ineligible for licensing; license issuance to minors; junior driver's license) to restrict a junior driver from driving a vehicle with more than one passenger under 18 years of age will not cause any increase in costs to the Commonwealth or local government. The State Police and local police departments already enforce traffic law, and this additional offense does not require additional resources.

The changes to §1503, however, will increase revenue to the Commonwealth and local government. The amount of the increase will depend upon enforcement, and no reliable data is available for making a reliable prediction on how much enforcement would occur. The revenue would follow, however, a predictable formula. For each conviction, assuming 100% collection rates, the following amounts would be collected: the Motor License Fund would receive \$12.50; the General Fund would receive \$15.30; the county where the court resides would receive \$19.20 if no hearing is requested or \$26.20 if a hearing is requested and the offender is found guilty; the Emergency Medical Services (EMS) Operating Fund would receive \$10; the Medical Care Availability and Reduction of Error Fund would receive \$30; the Judicial Computer System Augmentation Account would receive \$8; the Access to Justice Account would receive \$2; and if the enforcement was due to local police action, then the municipality of the police department would receive \$12.50. Otherwise, if the enforcement was due to State Police action, then the \$12.50 would be added to other State Police Vehicle Code fines that are distributed to all municipalities based on the Liquid Fuels Distribution Formula. In addition, if the offense occurred in Philadelphia or Pittsburgh, their respective towing and storage agents would receive \$10. The court costs grow by the Consumer Price Index annually pursuant to 1725.1 of Title 42,

Pa.C.S. The other amounts are statutory and will only change by action of the General Assembly and Governor.

The change to §1538 (school, examination or hearing on accumulation of points or excessive speeding) to stipulate that the 90 day license suspension (plus 120 days for each subsequent offense) for a junior driver convicted of exceeding the speed limit by 26 mph or more shall be in lieu of any penalty imposed by subsection 1538 (d)(1) for driving 31 mph or more over the speed limit clarifies how penalties are to be assessed. This change has no fiscal impact.

The restriction on insurance companies in §1538 that was inserted by the Senate would not likely impact the operations of the Department of Insurance.

The addition of a new §3316 to prohibit a junior driver or a driver with a learner's permit from using an interactive wireless communications device while driving will not cause any increase in costs to the Commonwealth or local governments. The State Police and local police departments already enforce traffic law, and this additional offense does not require additional resources.

The addition of §3316, however, will increase revenue to the Commonwealth and local governments. The amount of the increase will depend upon enforcement, and no reliable data is available for making a reliable prediction on how much enforcement would occur. The revenue would follow, however, a predictable formula. For each conviction, assuming 100% collection rates, the following amounts would be collected: the Motor License Fund would receive \$50; the General Fund would receive \$15.30; the county where the court resides would receive \$19.20 if no hearing is requested or \$26.20 if a hearing is requested and the offender is found guilty; the Emergency Medical Services (EMS) Operating Fund would receive \$10; the Medical Care Availability and Reduction of Error Fund would receive \$30; the Judicial Computer System Augmentation Account would receive \$8; the Access to Justice Account would receive \$2; and if the enforcement was due to local police action, then the municipality of the police department would receive \$50. Otherwise, if the enforcement was due to State Police action, then the \$50 would be added to the other State Police Vehicle Code fines that are distributed to all municipalities based on the Liquid Fuels Distribution Formula. In addition, if the offense occurred in Philadelphia or Pittsburgh, their respective towing and storage agents would receive \$10. The court costs grow by the Consumer Price Index annually pursuant to 1725.1 of Title 42, Pa.C.S. The other amounts are statutory and will only change by action of the General Assembly and the Governor.

The changes inserted by the Senate making the fines for the new violation in §3316 subject to the doubling of fines in §§3326 and 3327 would have the impact of doubling the revenue designated to the Motor License Fund and the municipalities described above, but it would not impact the various surcharges. There are no estimates available quantifying the impact.

According to PennDOT, any costs related to the changes to §3752 (accident report forms) and §3753 (department to compile, tabulate and analyze accident reports) will be minimal and can be accomplished with current resources. **The provision added by the Senate making the reports biannual and available to the public concerning junior drivers with multiple passengers will add some costs to PennDOT, but again these will be minimal.**

The changes to §4527 (television equipment) does not require additional enforcement resources or administration procedures, and it does not impact revenue.

The provisions inserted by the Senate on the use of school buses by schools has no fiscal impact to the Commonwealth, and will not likely have a fiscal impact on school districts.

The changes to §4581 (restraint systems) subsection (a)(1.1) to create a primary offense for anyone who operates a passenger car, Class I or II truck, classic motor vehicle, antique motor vehicle or motor home and fails to fasten securely to a seat belt system a child four years of age or older but less than eight years of age will not cause any increase in costs to the Commonwealth or local governments. The State Police and local police departments already enforce traffic law, and this change from a secondary to a primary offense does not require additional resources.

While the changes to §4581(a)(1.1) does not change any penalties or fines, it does make the offense a primary offense as opposed to a secondary offense. This change has the potential to increase enforcement, but no reliable data is available for making a reliable prediction on how much additional enforcement would occur. The revenue follows, however, a predictable formula. For each conviction, assuming 100% collection rates, the following amounts are collected: the Motor License Fund receives \$50; the General Fund would receive \$15.30; the county where the court resides would receive \$19.20 if no hearing is requested or \$26.20 if a hearing is requested and the offender is found guilty; the Emergency Medical Services (EMS) Operating Fund receives \$10; the Medical Care Availability and Reduction of Error Fund receives \$30; the Judicial Computer System Augmentation Account receives \$8; and the Access to Justice Account receives \$2; and if the enforcement was due to local police action, then the municipality of the police department receives \$50. Otherwise, if the enforcement was due to State Police action, then the \$50 is added to the other State Police fines that are distributed to all municipalities based on the Liquid Fuels Distribution Formula. In addition, if the offense occurred in Philadelphia or Pittsburgh, their respective towing and storage agents receive \$10. The court costs grow by the Consumer Price Index annually pursuant to 1725.1 of Title 42, Pa.C.S. The other amounts are statutory and will only change by action of the General Assembly and the Governor.

The changes to §4581 (restraint systems) subsection (a)(2) to require the driver and every passenger between the ages of 8 and 18 to be secured by a seat belt system really only makes one significant change, which is that passengers between 8 and 18 must be secured by a seat belt whether or not they are in the front seat. The State Police and local police departments already enforce traffic law, and this additional offense does not require additional resources.

The changes to §4581(a)(2), however, may cause an increase in revenue because a new offense is defined. No reliable data is available for making a reliable prediction on how much enforcement would occur. The revenue would follow, however, a predictable formula. For each conviction, assuming 100% collection rates, the following amounts would be collected: the Motor License Fund would receive \$5; the Emergency Medical Services (EMS) Operating Fund would receive \$10; the Medical Care Availability and Reduction of Error Fund would receive \$30; the Judicial Computer System Augmentation Account would receive \$8; and the Access to Justice Account would receive \$2; and if the enforcement was due to local police action, then the municipality of the police department would receive \$5. Otherwise, if the enforcement was due to State Police action, then the \$5 would be added to the other State Police Vehicle Code fines that are distributed to all municipalities based on the Liquid Fuels Distribution Formula. In

addition, if the offense occurred in Philadelphia or Pittsburgh, their respective towing and storage agents would receive \$10.

The change to §4581 (restraint systems) to make subsection (a)(3), which forbids a driver under 18 from operating a vehicle in which the number of passengers exceeds the seat belts, a secondary offence will not impact law enforcement expenditures. It may, however, reduce the number of citations issued because an officer can no longer initiate an enforcement action based on this offense. While the number of citations under this subsection has been typically small (113 in 2008), there will still be a small loss of funds. For each conviction, assuming 100% collection rates, the following amounts are collected: the Motor License Fund receives \$5; the Emergency Medical Services (EMS) Operating Fund receives \$10; the Medical Care Availability and Reduction of Error Fund receives \$30; the Judicial Computer System Augmentation Account receives \$8; and the Access to Justice Account receives \$2; and if the enforcement was due to local police action, then the municipality of the police department receives \$5. Otherwise, if the enforcement was due to State Police action, then the \$5 is added to the other State Police Vehicle Code fines that are distributed to all municipalities based on the Liquid Fuels Distribution Formula. In addition, if the offense occurred in Philadelphia or Pittsburgh, their respective towing and storage agents receive \$10.

In summary, this bill has a minimal impact on administrative expenses for PennDOT under the Motor License Fund, and it will cause an indeterminate increase in revenue for these various funds: the Motor License Fund, the General Fund, the Emergency Medical Services Operating Fund, the Medical Care Availability and Reduction of Error Fund, the Judicial Computer System Augmentation Account, the Access to Justice Account, local government funds (for liquid fuels and direct police enforcement), county funds (court costs), and the City of Philadelphia (court costs). It will also provide additional funds for towing and storage agents of Pittsburgh and Philadelphia. It is not possible to predict the exact revenue increases because they will depend on enforcement. Because no new resources will be added for enforcement and the new offenses represent just a small subset of all Vehicle Code offenses, it is unlikely that these revenues will be significant.

The following sources were used in the preparation of this fiscal note: the Department of Transportation, the Pennsylvania State Police, the Administrative Offices of the Courts, the Department of Revenue, the Department of Community and Economic Development, the Department of Insurance, and the Department of Education.

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General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*