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FISCAL IMPACT REPORT

SPONSOR <u>Gonzales</u>	LAST UPDATED <u>3/2/2025</u>	ORIGINAL DATE <u>2/17/2025</u>
SHORT TITLE <u>Hwy Construction Auto Speed Enforcement</u>	BILL NUMBER <u>Senate Bill 241/aSTBTC</u>	ANALYST <u>Simon</u>

REVENUE* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
Speeding Fines		\$315.0 to \$630.0	\$315.0 to \$630.0	\$315.0 to \$630.0	\$315.0 to \$630.0	Recurring	No fund listed
		\$315.0 to \$630.0	\$315.0 to \$630.0	\$315.0 to \$630.0	\$315.0 to \$630.0		

Parenttheses () indicate revenue decreases.
 *Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DPS Administrative Costs		\$218.3	\$218.3	\$429.6	Recurring	General Fund*
NMDOT Administrative Costs		\$315.0 to \$630.0	\$326.9	\$653.8	Recurring	No fund listed
Total		\$533.3 to \$848.3	\$533.3 to \$848.3			

Parenttheses () indicate expenditure decreases.
 *General fund obligations could be offset by transfers from NMDOT
 Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
 Department of Transportation (NMDOT)
 Department of Public Safety (DPS)

Agency Analysis was Solicited but Not Received From
 Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of STBTC Amendment to Senate Bill 241

The Senate Tax, Business and Transportation Committee amendment to Senate Bill 241 (SB241) creates the highway construction zone automated speed enforcement fund to receive revenue

from fine imposed pursuant to the bill. The fund is appropriated to the Department of Transportation to administer the speed enforcement program outlined in the bill. The bill had previously appropriated any proceeds from the proposed fines to the department for administration, but did not create a fund to receive those fines.

Synopsis of Senate Bill 241

Senate Bill 241 (SB241) authorizes the Department of Transportation (NMDOT) to set up automated traffic enforcement systems, issue citations, and impose fines on road users who exceed the speed limits in posed constructions zones on state highways. Fines could only be imposed if the state police determines a speeding violation has occurred. Fines would equal \$50 for six to 10 miles per hour over the posted speed limit, \$100 for 11 to 15 miles per hour over the speed limit, or \$200 for 16 or more miles per hour over the posted speed limit. The department is authorized to appoint hearing officers to adjudicate a dispute regarding the fine and reach a final decision regarding the imposition of a civil fine. The department is authorized to spend the proceeds of the fines to administer the program.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

SB241 would allow NMDOT to impose fines, collect fines from motorists, and spend the proceeds of those fines. NMDOT declined to project possible revenues the department expects to raise from the program but states the program is expected to “generate sufficient revenue for the program to support itself.” However, NMDOT notes there may be other expenses outside of automated enforcement the department may need to cover. For example, the department will need to conduct additional planning and include additional signage, which has the potential to increase project costs.

The department does not provide a budget projection to demonstrate the level of revenue that would be necessary to support the program, does not outline possible expenditures, including expenditures on contractors that may be used to “aid in the administration” of the program, or the possible fiscal impact from the purchase and automated enforcement systems.

While revenue projections from the department are unavailable, the Department of Public Safety (DPS) notes state police have issued 13.8 thousand citations in construction zones over the last five year, or about 2,760 per year. Assuming at least 2,700 citations would be issued each year and roughly even number of citations are in each level, NMDOT could realize \$315 thousand per year in revenue. If the number of citations were to double, the program could raise up to \$630 thousand. However, it is unclear how many citations the department may issue. Automated enforcement could be more efficient than manual enforcement, leading to a large number of citations. But aggressive enforcement could be effective at reducing speeding—the ultimate goal of the bill—which could reduce the number of citations over time.

The Senate Tax, Business and Transportation Committee amendment added the creation of a highway construction zone automated speed enforcement fund. While the unamended bill appropriated funds from proposed fines to the department for administrative expenses, the addition of a separate fund could increase transparency of how the department spend the proceeds of the proposed fines. NMDOT currently manages nine other restricted funds (apart

from the state road fund), including a funds for traffic safety. NMDOT should be able to manage an additional fund without significant administrative issues.

The bill would require the state police to review evidence to determine if a speeding violation occurred. DPS estimates the Law Enforcement Records Bureau would need to hire two additional staff and would experience additional costs to ensure compliance with policies of the Criminal Justice Information Service and ensure adequate data protections around the sharing and use of data from automated enforcement systems. DPS recommends allocating 15 percent to 25 percent of the revenue for DPS administrative expenses. SB241 appropriated funds to NMDOT to “install, maintain and administer automated traffic enforcement systems” but is unclear how much, if any, would be transferred to DPS to cover administrative costs.

SIGNIFICANT ISSUES

Workers in highway construction zones are particularly vulnerable to injury or fatalities due to motor vehicles. Research has shown traveling at a high rate of speed increases the risk for workers. According to the American Road and Transportation Builders Association, nationwide there were more than 96 thousand crashes in work zones in 2022, resulting in 891 total fatalities, which includes 136 pedestrians.

One method some states have explored to reduce speeds in work zones in installing automated speed enforcement (or “speed cameras”) around constructions site to encourage motorists to reduce speed and fine motorists who do not obey posted speed limits. In recent years, several other jurisdictions have adopted automated speed enforcement programs, including Pennsylvania, New York, Maryland, Oregon, Illinois, and Washington. Pennsylvania’s program, which began in 2020, included a requirement to study the effectiveness of the program. Researchers found that, in 2020, 28 percent of motorists exceeded the speed limit in work zones, including 5 percent of drivers who exceeded the speed limit by at least 11 miles per hour. By 2022, researchers reported the percentage of motorists speeding through work zones dropped to 17.2 percent, with only 2.6 percent of motorists exceeding the speed limit by 11 miles per hour or more. That research also found a reduction in work zone crashes.

Analysis from DPS notes automated enforcement in construction zones would aid DPS in improving the safety of New Mexico’s roadways. The bill could be effective at reducing speeds in construction zones, providing additional protection for workers who are particularly vulnerable along high-speed corridors, such as interstate highways outside of urban areas.

ADMINISTRATIVE IMPLICATIONS

Analysis from DPS illustrates a number of steps that program administrators and vendors must take to properly implement the act. DPS notes vendors handling data will be required to pass fingerprint-based background checks and sign agreements with DPS governing data security and preventing vendors from selling any data or share with another entity for non-criminal justice or non-public safety purpose. Vendors would be required to complete compliance audits and vendor staff could be subject to disciplinary actions for misuse of data. DPS notes the importance of the department retaining full operational control and oversight of automated speed enforcement systems data and infrastructure.

SB241 does not include provisions related to appealing fines beyond administrative hearings, which DPS states could raise constitutional challenges.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB241 relates to Senate Bill 91, which limits municipal automated speed enforcement programs from using collection agencies to collect unpaid penalties, reporting unpaid penalties to credit reporting agencies, or from impounding vehicles based on nonpayment. SB241 may conflict with these limitations.

OTHER SUBSTANTIVE ISSUES

In 2023, the Legislature enacted a law with bipartisan support eliminating the use of penalty assessment fees as revenue (Laws 2023 Chapter 184) because such fees disproportionately impact marginalized communities and amount to double taxation. Fee funding is an unreliable source of revenue for government programs because revenue changes with cycles unrelated to the programs they fund.

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