

OFFICE OF FISCAL ANALYSIS

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sHB-5330

AN ACT IMPLEMENTING RECOMMENDATIONS OF THE
DEPARTMENT OF TRANSPORTATION.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Treasurer, Debt Serv.	TF - Potential Cost	See Below	See Below
Transportation, Dept.	TF - Potential Cost	See Below	See Below
Resources of the General Fund	GF - Potential Revenue Gain	Minimal	Minimal
Department of Motor Vehicles	TF - Potential Cost	Less than 50,000	None

Note: TF=Transportation Fund; GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Potential Revenue Gain	See Below	See Below
All Municipalities	Potential Cost	See Below	See Below

Explanation

Section 1 increases, from \$5,000 to \$10,000, the maximum fine for failing to comply with an order from the Office of the State Traffic Administration or a local traffic authority. This section is not expected to result in a fiscal impact because fines are rarely imposed.

Section 7 results in a potential cost to municipalities beginning in FY 25 that is dependent on if a municipality votes to establish a traffic

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authority. The bill permits municipalities that establish a traffic authority to also determine qualification, terms of office, and compensation. Any cost will be dependent on the criteria determined by each municipality.

Section 9 allows DOT to establish variable speed limits (VSL) that temporarily lower the speed limit on limited access highways. The language is permissive, and it is anticipated that DOT would use this authority only if it had resources to do so.

To the extent DOT exercises this authority and that the capital costs of the systems are paid for using existing Special Tax Obligation (STO) bonds, future Special Transportation Fund (STF) debt service costs may be incurred sooner under the bill. This is dependent on the degree that the bill causes STO bond funds to be expended, or to be expended more rapidly than they otherwise would have been. Costs are also potentially eligible for federal reimbursement at between 80%-90% but would depend on the specifics of the project and, ultimately, on availability of funds and approval by U.S. DOT.

For context, the cost of VSL systems (which can include electronic and static signs, roadway sensors, and related infrastructure) varies widely depending on the number and complexity of the systems. According to the National Highway Traffic Safety Administration, capital costs for VSL systems in other states have ranged from less than \$50,000 per system to more than \$5 million.¹ Additionally, ongoing operating costs would be expected, such as for general maintenance, repairs, and electricity.

Section 10 results in a potential revenue gain to municipalities beginning in FY 25 to the extent that municipalities choose to allow advertising signs or displays in bus shelters. Most bus shelters are owned by municipalities. Any revenue gain is dependent on the advertising prices for the space available and the number of

¹ National Highway Traffic Safety Administration. *Countermeasures that work: A highway safety countermeasure guide for State Highway Safety Offices*, 11th edition, 2023

advertisements.

Section 15 requires motorcyclists who have had a license for fewer than three years to wear a helmet when operating a motorcycle along with any of their passengers. This results in a potential revenue gain to the extent that this requirement leads to an increase in violation fines.²

Section 16 requires the Department of Motor Vehicles (DMV) to include the date DMV issued a person's motorcycle endorsement on their driver's license, resulting in a potential one-time cost of less than \$50,000 for DMV reprogramming.

Sections 18 and 19 expand the state's reckless driving law to include limited access highways, which results in a potential revenue gain to the extent that this requirement results in an increase in violation fines.³

The other sections of the bill are technical or otherwise do not result in a fiscal impact to the state or municipalities.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the terms of local traffic authorities established, the number of advertisements on bus shelters, fines collected from violations, or as otherwise described.

² Current law requires some motorcyclists to wear helmets; in FY 23, \$544 was collected from fines due to these types of violations.

³ In FY 23, \$19,724 was collected from fines due to reckless driving violations.