

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 17, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #37: HANDICAPPED PARKING AND HOV VIOLATION FINES

This memo is in response to the following questions asked by Councilman Wilson: (1) What would be the fiscal impact of raising our fine for Handicapped Parking to \$500 to match Fairfax County? and (2) What would be the fiscal impact of raising our HOV fine to match the fines that the State assesses on the highways?"

1. What would be the fiscal impact of raising our fine for Handicapped Parking to \$500 to match Fairfax County?

The FY 2010 Proposed budget for the Police Department includes a \$99 increase (from \$201 to \$300) in the Handicapped Parking fine. The current proposal is based on 400 annual citations and would generate \$39,600 in additional revenue, assuming no decrease in the number of citations. If the fine were increased from \$201 to \$500 for the same number of citations, it would result in \$80,000 in additional revenue over what is currently proposed in the FY 2010 budget. This represents a total of \$119,600 in additional revenue per year. However, at some point, the size of the fine should discourage violations and thus reduce revenue. For that reason, we estimate a 10 percent reduction in the number of citations with a \$500 fine. This would result in approximately \$100,000 in additional revenue, which is \$60,400 more than in the proposed budget.

2. What would be the fiscal impact of raising our HOV fine to match the fines that the State assesses on the highways?

The Police Department's FY 2010 budget includes an increase in fines (from \$50 to \$100) for HOV parking violations. Based on 800 citations, this increase will result in \$40,000 in additional revenue, assuming no change in the number of citations. This fine is set by City ordinance and does not have a governing State code. As a result, the City may raise the fine to whatever level is deemed appropriate. If the fine is raised to \$200, the increase would result in \$80,000 in additional revenue over what is currently proposed in the FY 2010 budget. This represents a total of \$120,000 in additional

revenue per year. A 5 percent reduction in the number of citations with a \$200 fine would result in approximately \$114,000 in additional revenue, which is \$74,000 more than in the proposed budget.

The State also imposes a fine for moving violations (unauthorized vehicles) in HOV lanes. City code provides that the current fine is \$50 for the first offense, increasing to \$100, \$250 and then \$500 for subsequent offenses in 3 years. State code fines are \$125 for the first offense, and \$250, \$500 and \$1,000 for subsequent offenses in 3 years. If the City revised its fine structure for HOV moving violations to match State code, it could generate at least \$21,750 in additional revenue per year, assuming no decrease in citations. This figure is based on 290 citations written under City code and assumes all citations are first time offenses. If there are repeat offenses, the revenue increase would be greater. A 5 percent reduction in the number of citations with a \$125 fine would result in approximately \$20,625 in additional revenue.