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## MEMORANDUM

**DATE:** August 19, 2013  
**TO:** LaShon Ross, Deputy City Manager  
**FROM:** Gregory W. Rushin, Chief of Police  
**SUBJECT:** Red Light Camera Collection Program Offered by Redflex Traffic Systems, Inc.

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The City of Plano began its Red Light Camera program in March 2006 with the installation of the first four cameras. We are currently operating 19 cameras at 16 intersections. Since the inception of the program we have contracted with Redflex Traffic Systems, Inc. We pay Redflex a fixed monthly fee per camera approach. Redflex installs and maintains the equipment and also bills and collects on violations issued. A red light camera violation carries a \$75 civil penalty. A \$25 fee is assessed if the violation becomes past due and is sent to collections. Currently, Redflex contracts with Penn Credit for collection services. There is no action taken against a violator if he/she does not pay the penalty.

Plano's collection rate of violations, even though it is higher than the state average, is dropping. In 2011, Plano's collection rate was 80.4% and the state average was 70.5%. For 2012, Plano's rate dropped to 77% and the state rate dropped to 68.4%. As of June 2013, there were 48,512 violations that were more than 90 days past due. This amounts to approximately \$4,775,536 in uncollected revenue. The number of uncollected violations is growing at a rate of 450 per month. Due to this drop in collections, we want to submit a proposal from Redflex for Council consideration.

Section 702.003 allows a county tax assessor-collector or the Texas Department of Transportation (TxDOT) to refuse to register a motor vehicle if the owner has outstanding warrant for failure to appear or failure to pay a fine on a complaint that involves the violation of a traffic law. Section 707.017 added delinquency in the payment of a civil penalty to the authority to refuse registration renewal.

Redflex is offering to contract with the City to provide up-to-date information on outstanding, past due violations to TxDOT. TxDOT would then flag the registration of the vehicle and the owner would not be able to register the vehicle without first paying the violation, at which time Redflex would send the clearance request to TxDOT. Redflex completes all of the billing and collections already; therefore, this information is readily available in the Redflex computer system and would be accurate and timely. Reflex would be providing an additional service with data that already exists in their system.

To have Redflex act on the City's behalf, the City would contract with Redflex, sign TxDOT's contract, and send TxDOT a letter authorizing Redflex to submit the City's files to TxDOT.

Redflex estimates the initial batch of entries to be flagged by TxDOT to be 37,000. Redflex would charge the City \$5 for each entry for a total of \$185,000. After the initial batch the cost would be \$10 each. Redflex's collection program will maintain and fund the required escrow account at TxDOT. This is an account from which TxDOT draws its processing fees. Redflex would fund this escrow account up front. Redflex would collect its \$185,000 initial fee only after twice that amount has been collected and is available in the escrow account. The City will collect \$95 or \$90 (dependent on whether we paid \$5 or \$10) on each past due violation. Currently, if the collection agency is successful, the City collects \$86 and pays the collection agency \$14. Redflex advises that flagging has proven four times as effective as the phone call that violators receive from the collection agency. We would have to collect 1947 past due violations (5%) of the initial batch to cover the cost of Redflex's services.

Redflex prints and mails a letter to the registered owner notifying him/her of the hold being placed on his/her registration. Redflex has found this to be more effective than the owner finding out at registration renewal time. Upon payment, Redflex generates a receipt and a paid-in-full letter, which the owner then presents to complete registration of the vehicle. Flags can be set to only Collin County or the entire state. By setting to cover the whole state, we would be able to collect from out-of-county violators in areas that are participating in flagging collection programs. Approximately, 45% of our outstanding violations are related to vehicles registered in Collin County.

The following cities are using Redflex collection program: Corpus Christi, El Paso, Richland Hills, North Richland Hills, Haltom City, Denton, Hurst, Balch Springs and University Park. All of these cities except Corpus Christi have targeted the entire state, not just their home county.

The Collin County Tax Assessor-Collector, Kenneth Maun does not intend to honor the flags if the owner walks into the tax office or mails in; therefore, these customers will be able to renew their registration even if they have outstanding violations. Persons who complete their registration online or at off-site locations such as Tom Thumb, anywhere in Texas, will not be able to complete the process without first clearing their violation. TxDOT does not keep figures on the number who walk into the tax office and those that register by alternate methods, but a representative of TxDOT estimated that 75% use the alternate methods.

The City would have no upfront investment. Redflex would cover the escrow necessary for the initial batch entry and would not charge us until the escrow account has grown to double that size. Contracting with Redflex for this service can help us collect part of the \$4.7 million that would not be collected otherwise.

TEXAS TRANSPORTATION CODE

§ 702.003. REFUSAL TO REGISTER VEHICLE. (a) A county assessor-collector or the department may refuse to register a motor vehicle if the assessor-collector or the department receives under a contract information from a municipality that the owner of the vehicle has an outstanding warrant from that municipality for failure to appear or failure to pay a fine on a complaint that involves the violation of a traffic law.

(b) A municipality may contract with a county in which the municipality is located or the department to provide information to the county or department necessary to make a determination under Subsection (a).

(c) A municipality that has a contract under Subsection (b) shall notify the county or the department regarding a person for whom the county assessor-collector or the department has refused to register a motor vehicle on:

- (1) entry of a judgment against the person and the person's payment to the court of the fine for the violation and of all court costs;
- (2) perfection of an appeal of the case for which the arrest warrant was issued; or
- (3) dismissal of the charge for which the arrest warrant was issued.

(d) After notice is received under Subsection (c), the county assessor-collector or the department may not refuse to register the motor vehicle under Subsection (a).

(e) A contract under Subsection (b) must be entered into in accordance with Chapter 791, Government Code, and is subject to the ability of the parties to provide or pay for the services required under the contract.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, § 30.160(b), eff. Sept. 1, 1997.

Sec. 707.017. ENFORCEMENT. (a) If the owner of a motor vehicle is delinquent in the payment of a civil penalty imposed under this chapter, the county assessor-collector or the Texas Department of Motor Vehicles may refuse to register a motor vehicle alleged to have been involved in the violation.

(b) This section does not apply to the registration of a motor vehicle under Section 501.0234.

Added by Acts 2007, 80th Leg., R.S., Ch. [1149](#), Sec. 1, eff. September 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. [266](#), Sec. 1, eff. May 30, 2009.

Acts 2009, 81st Leg., R.S., Ch. [542](#), Sec. 4, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. [933](#), Sec. 2T.03, eff. September 1, 2009.

Reenacted by Acts 2011, 82nd Leg., R.S., Ch. [91](#), Sec. 24.018, eff. September 1, 2011.

# Red Light Camera Collection Program



**Gregory W. Rushin**  
**Chief of Police**

# Plano Red Light Camera Program

- First cameras installed in March 2006
- Currently operating 19 cameras at 16 intersections
- Contract with Redflex Traffic Systems, Inc. for a fixed monthly fee
- \$75 civil penalty, \$100 when sent to collections



# Collections

- Plano's Collection Rate
  - 2011 – 80.4%
  - 2012 – 77%
- Average Rate of Texas RLC Program
  - 2011 – 70.5%
  - 2012 – 68.4%
- RedFlex contracts with a collection agency



# Flagging of Registrations

- Section 702.003 of the Texas Transportation Code – county tax assessor or Texas Dept. of Transportation (TxDOT) may refuse to register a vehicle if fines are outstanding.
- Section 707.017 covers delinquencies in payment of civil penalties.



# Outstanding RLC Violations

- As of June 2013 Plano has 48,512 violations that are more than 90 days past due
- Amounts to \$4,775,536
- Number is growing by approximately 450 per month.



# Redflex Proposal for Collection

- City can contract with Redflex to provide up-to-date information to TxDOT on unpaid violations
- Redflex will send letter to registered owner advising of the impending registrations renewal hold
- TxDOT will flag the registration
- Redflex will interact with TxDOT to remove cleared flags



# Redflex Proposal - Continued

- Redflex estimates the initial batch of entries to be 37,000.
- Cost for initial batch is \$5 each - \$185,000
- After initial batch, cost will go to \$10 each entry
- Each violation collected would net \$95 or \$90
- 1947 collected violations will cover the \$185,000 escrow investment



# Other Cities Using the Redflex Program

- Corpus Christi
- El Paso
- Richland Hills
- North Richland Hills
- Haltom City
- Denton
- Hurst
- Balch Springs
- University Park



- Collin County Tax Assessor has declined to recognize and act on flagged registrations
- Violators will still be able to walk into the tax office or mail in and renew registration without paying the violations
- On-line and off-site, such as Tom Thumb, would require payment to remove flag before registration would occur – TxDOT estimates that these methods account for 75% of renewals



Questions?

