

## Department of Planning and Budget 2013 Fiscal Impact Statement

**1. Bill Number:** HB1302

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Loupassi

**3. Committee:** Transportation

**4. Title:** Prevents VDOT from charging monthly fees for payment program and its transponders.

**5. Summary:** The proposed legislation would prevent the Department of Transportation (VDOT) from charging monthly fees for the use of transponders for E-ZPass, VDOT's automatic electronic tolling payment program. In addition to standard transponders, VDOT also issues flex transponders for use when vehicles traveling on the I-495 HOT lanes meet the high occupancy vehicle requirements.

VDOT operates E-ZPass Virginia for toll facilities in the commonwealth and uses fee revenue to cover costs related to the transponders and to operate an operations and customer service center in Clifton Forge. Beginning July 9, 2012, a fee change became effective. A monthly fee of \$0.50 per standard transponder and \$1.00 per flex transponder is collected for each transponder held by new customers. Existing customers begin paying the fee when a replacement transponder is received. Prior to the change, fees were collected from toll facility operators as a portion of the toll payment. VDOT has indicated that a fee change is required due to the increased number of transponders in use on the new toll facilities opening in Northern Virginia and Hampton Roads.

**6. Budget Amendment Necessary:** None.

**7. Fiscal Impact Estimates:** Preliminary. See Item 8.

**8. Fiscal Implications:** The E-ZPass program is a self-supporting service which presently uses fees to cover costs related to acquiring, replacing and operating transponders and does not receive direct funding from VDOT. The construction of new toll facilities in Northern Virginia and Hampton Roads will increase the number of the transponders needed by drivers. VDOT estimates the cost of the E-ZPass program will rise from \$8 million annually to \$14 million by FY2018. The present fee structure is expected to help manage the demand of transponders by limiting the number of inactive transponders held in circulation. VDOT estimates the cost for new transponders may reach as high as \$40 million and inactive transponders will cost the agency \$1 million per year. Under its previous fee structure, the E-ZPass program was forecast to run a deficit of over \$18 million in five years.

Through this proposal, tolls will need to be adjusted to generate sufficient revenue to cover the costs of this program in lieu of fees. At present, VDOT only operates two of the 12 toll facilities in Virginia which utilize E-ZPass transponders. It is uncertain whether there will be difficulty in getting the other private or non-profit toll facility operators to implement any necessary toll rate adjustments that are needed to provide sufficient funding to operate the transponder program.

**9. Specific Agency or Political Subdivisions Affected:** Department of Transportation

**10. Technical Amendment Necessary:** None.

**11. Other Comments:** Similar to HB1779.

**Date:** 1/23/2013 dpb/smc

**Document:** G:\GA\FIS 2013\HB1302.doc