

## **Department of Planning and Budget**

### **2016 Fiscal Impact Statement**

**1. Bill Number:** HB1069

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

**2. Patron:** Jones

**3. Committee:** Passed Both Houses

**4. Title:** Tolling civil penalties; period of nonpayment; limitations on tolling; notification of violations.

**5. Summary:** The bill requires the Department of Transportation (VDOT) to allow E-ZPass account holders to provide an email or phone number and to electronically notify account holders of a toll violation and further requires toll operators to notify the Department of such toll violations. The bill amends the definition of high-occupancy toll (HOT) lanes to ensure that mass transit vehicles and commuter buses meet the high-occupancy requirement. The bill lengthens from 30 to 60 days the period following notification of an unpaid toll during which administrative fees cannot exceed \$25. The bill decreases the civil penalties for an unpaid toll violation on the HOT lanes, making them equal to civil penalties for other toll violations, and allows the HOT lanes operator to offer reduced civil penalties if the owner of the vehicle pays within 14 days prior to the hearing date, which is also permitted for other toll operators. For violations on any toll road, the bill provides that for a first court appearance there are reduced civil penalties and places a cap of \$2,200 on civil penalties and administrative fees. The bill provides for a 10-day grace period for VA E-ZPass customers for unpaid tolls and requires toll operators to attempt to process and collect unpaid tolls twice during such period. Allows the Commonwealth to enter into agreements with other states to provide for the enforcement of tolling violations occurring in Virginia on out-of-state residents and to enforce tolling violations in other states on Virginia residents. Reciprocity agreements with other states would provide for notification of the Commissioner of the Department of Motor Vehicles (DMV) or other similar entity in another state so that violators who have not paid would have their registration suspended in accordance with the agreement. The bill states that a toll violation on the HOT lanes is a traffic violation and requires toll operators to attempt to collect tolls through a debt collector before mailing a summons. The bill also provides for a two-year statute of limitations for all toll violations.

**6. Budget Amendment Necessary:** No.

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

**8. Fiscal Implications:**

This bill will result in a fiscal impact on the Virginia Department of Transportation and the Department of Motor vehicles, however the extent of that impact cannot be determined at this time.

According to the Virginia Department of Transportation (VDOT), this bill would authorize reciprocity agreements with other states through which toll operators in Virginia could support the collection of unpaid tolls by residents of those other states. Based on data collected by VDOT, it is estimated that over 400,000 non-Virginia residents owe more than \$21 million in unpaid tolls, penalties and fees to the 12 toll facilities in Virginia, with a majority of the out-of-state violations being committed by residents of Maryland, North Carolina and the District of Columbia.

This legislation would allow the Department of Motor Vehicles to charge \$40 to defray the cost of processing and withholding the registration of toll violators as the result of reciprocity agreements.

In addition, VDOT must attempt debt collection prior to the issuance of a summons, a service that VDOT does not currently perform. This will result in additional costs to VDOT for software changes and continued software maintenance. The extent of these costs are unknown.

The legislation will also require expenditures for the Virginia Department of Motor Vehicles (DMV) in areas including technology system implementation, for full time equivalent positions, customer mailings and costs from credit card processing. These costs are included in the table below.

<b>Cost Area</b>	<b>FY 2017</b>	<b>Ongoing Annually</b>
IT Systems Implementation	\$226,989	-
Data Integrity work center - 2 FTE	\$112,000	\$112,000
Call center - 2 FTE	\$100,000	\$100,000
Mailing	\$184,000	\$184,000
Credit card fee	\$71,901	\$71,901
<b>Total</b>	<b>\$694,890</b>	<b>\$467,901</b>

These costs will be offset by the \$40 fee that DMV will receive for every vehicle registration withholding (VRW) stop removed for a Virginia driver with an outstanding toll violation in a participating state. The number of Virginia drivers that will have a VRW stop placed on their record for violating an out-of-state toll in any given year cannot be estimated. Without an accurate figure, it is not possible to estimate the amount of revenue generated from collecting the stop removal fee. The agency anticipates that it will take several years of collecting \$40 VRW stop removal fees to recoup the initial and on-going costs associated with the bill.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Department of Transportation., Department of Motor Vehicles.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

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