

## Department of Planning and Budget 2016 Fiscal Impact Statement

**1. Bill Number:** HB1070

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

**2. Patron:** Jones

**3. Committee:** Transportation

**4. Title:** Toll violations; reciprocity agreements; enforcement

**5. Summary:** This bill 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 allows for agreements between toll operators or high-occupancy toll (HOT) lanes operators and DMV to include necessary information to enforce reciprocity agreements. The bill states that a toll violation on the HOT lanes is a traffic infraction and that a HOT lanes operator shall mail the statutorily required invoice for unpaid tolls, as is the case for other toll violations. The bill clarifies references to the issuance of summonses for toll violations. The bill provides for a two-year statute of limitations for all toll violations. The bill contains technical amendments.

In addition to the provisions described above, the substitute requires toll and HOT lanes operators to use debt collection practices for at least 30 days prior to issuing a summons for any toll violation and provides for the Governor to enter into reciprocity agreements rather than the Secretary of Transportation, as initially set out in the bill.

**6. Budget Amendment Necessary:** No

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

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2016	-	-	-
2017	694,890	-	DMV Special Fund
2018	467,901	-	DMV Special Fund
2019	467,901	-	DMV Special Fund
2020	467,901	-	DMV Special Fund
2021	467,901	-	DMV Special Fund
2022	467,901	-	DMV Special Fund

**7b. Revenue Impact:** Indeterminate.

- 8. Fiscal Implications:** This bill would authorize reciprocity agreements with other states through which toll operators in Virginia could collect unpaid tolls by residents of those other states. Based on data collected by the Virginia Department of Transportation (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 committed on these facilities being committed by residents of Maryland, North Carolina, and the District of Columbia.

The legislation will require expenditures for DMV in several areas, including information technology system implementation, four employee positions, customer mailings, and costs from processing credit card transactions. The cost for each is as follows:

<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, General District Courts where toll facilities are located.

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

**11. Other Comments:** None.

**Date:** 2/16/16

**Document:** Janet Vogelgesang G:\16-18\FIS 2016\HB1070H2.docx

c: Secretary of Transportation