

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 25, 2017

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1437 by Schwertner (Relating to payment for the use of a highway toll project.), As
Introduced

No significant fiscal implication to the State is anticipated.

The bill would amend the Chapter 228 of the Transportation Code to authorize the Texas Department of Transportation (TxDOT) to include in an agreement for toll collection services provisions requiring the service provider to credit electronic toll collection customer accounts for improperly charged tolls and an additional amount not more than \$20 as compensation for time spent by the customer contesting an improper charge. The bill would authorize TxDOT to send notice of a toll charge or notice of nonpayment of a toll to a vehicle owner's address as shown in the driver's license records of the Department of Public Safety. The bill would require TxDOT to provide electronic toll collection customers the option to authorize the automatic payment of tolls through withdrawal of funds from the customer's bank account. The bill would amend Chapter 372 of the Transportation Code to require a toll project entity (including TxDOT) to determine whether there is an active electronic toll collection customer account that corresponds to a transponder issued to a vehicle before mailing an invoice or notice of unpaid tolls to the registered owner of the vehicle. If the toll project entity discovers a sufficiently funded customer account, the entity must first satisfy the outstanding toll from the account at the standard electronic toll collection rate and may not collect any administrative fees or late fees. The bill would take effect on September 1, 2017.

TxDOT anticipates that implementation of the billing process changes required by the bill would require changes to its current toll operations system agreement and automated systems. Based on LBB's analysis of TxDOT, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

The North Texas Tollway Authority (NTTA) estimates a one-time cost of \$1 million for changes associated to billing systems and processes for collection and \$1.5 million in ongoing annual costs for NTTA to inform customers that transponders may not be performing correctly, additional costs of billing operations, and additional costs for invoicing customers who do not meet NTTA's business rules.

According to the Harris County Toll Road Authority (HCTRA), implementation of the pay-by-mail provisions of the bill would increase HCTRA's overhead costs and reduce net collections.

Source Agencies: 601 Department of Transportation

LBB Staff: UP, AG, EH, TG, JGA