

Date of Hearing: May 18, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

AB 2594 (Ting) – As Amended April 18, 2022

Policy Committee: Transportation

Vote: 15 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill makes numerous changes to the administration of bridge and road tolls.

Specifically, this bill:

- 1) Requires the Department of Motor Vehicles (DMV) to notify a person either orally or by mail in a language the person understands, that when they change their driver's license address, they may also need to change their vehicle registration address, and requires DMV to provide instructions on how to update the address.
- 2) Requires an agency that permits pay-by-plate payment of tolls and other charges using invoices without an account, and that also offers an alternate method of toll payment utilizing a transponder or other electronic toll payment device, to include with the invoice for the pay-by-plate toll charge, information about how to enroll in that alternative payment method, including an internet website and a customer service telephone number.
- 3) Requires an issuing agency that permits pay-by-plate toll payment, transponder or other electronic toll payment device (devices) to send an invoice by mail for any unpaid toll no later than 30 days from the date that the person drove over the toll bridge and to specify methods of payment including cash, check, credit or debit card.
- 4) Requires retail outlets that sell transponders for other electronic toll payment devices to accept cash payments for toll bridge charges.
- 5) Requires an issuing agency to allow a driver, including a driver of a rental car, to register the vehicle license plate with the agency online for the purpose of paying all tolls with a credit or debit card.
- 6) Requires rental car agencies to provide a fact sheet explaining how an individual may register the license plate on their rental vehicle with an issuing agency to pay tolls for the length of the rental period, rather than being billed by the rental car agency for a toll invoice and that requires the fact sheet be given to the customer, along with the rental contract, and printed on a piece of paper placed on the passenger seat of a rented vehicle with no other text on the paper other than the toll registration information.
- 7) Requires an issuing agency that operates an electronic toll collection system that permits payment by a device to: (a) make the devices available for purchase online, by mail, and in

person at retail outlets and at the issuing agency office; (b) sell the devices at a minimum of one retail outlet in every city in which the device may be used to pay toll charges; (c) post on its website a list of locations where the devices may be purchased; (d) limit the cost of the devices to not exceed the reasonable cost to produce the device.

- 8) Requires that a person be able to purchase a device with cash, credit or debit card and be allowed to load a minimum of \$100 onto the associated account with cash or a credit or debit card. There shall be no fee to purchase the device with cash and any fee to load money on to the associated account is limited to no more than \$3.
- 9) Requires the issuing agencies' offices be open to the public at least 35 hours per week between the hours of 8 a.m. and 5 p.m. and be open an additional five hours per week between the hours of 6 a.m. to 8 a.m. or 5 p.m. to 7 p.m. and requires that a person be able to conduct all of the following transactions at no fee at the issuing agency's office: (a) purchase a transponder or other electronic toll payment device; (b) load money onto an associated account; (c) pay a toll invoice; and (d) register a license plate with the issuing agency for payment of tolls.
- 10) Requires an issuing agency to have at least one retail outlet location within 15 miles of all entry points to a toll bridge, toll road, or express lane where a person may purchase with cash a transponder or other electronic toll payment device, load money by cash onto their associated account or pay a toll invoice with cash.
- 11) Requires the issuing agency to maintain a customer service telephone line that is operated by a live person that provides language interpreters and persons skilled in communicating with deaf or hard-of-hearing individuals for 35 hours per week between the hours of 8 a.m. to 5 p.m. and an additional five hours per week between the hours of 6 a.m. to 8 a.m. or from 5 p.m. to 7 p.m.; and the customer service telephone line shall assist persons with questions related to purchasing a transponder, paying invoices, disputing tolls and penalties, setting up payment plans and registering the license plate of a vehicle for toll payments.
- 12) Prescribes a schedule for toll bridge evasion violation penalties.
- 13) Limits the cumulative toll evasion penalty to \$100 for each individual evasion violation for bridge, toll road and express lanes.
- 14) Requires the notice of a delinquent toll evasion to contain a notice to the registered owner that, unless the registered owner pays the toll evasion penalty, contests the notice within 30 days after the mailing of the third notice of delinquent toll evasion violation or completes and files an affidavit of nonliability, the renewal of the vehicle registration shall be contingent upon compliance with the notice of delinquent toll evasion violation.
- 15) Requires that if a person has failed to pay the toll evasion penalty by the date the fourth notice of delinquent toll evasion violation is mailed, the issuing agency shall notify the DMV and the DMV shall suspend that person's vehicle registration. The registration hold shall be removed when the registered owner pays the toll evasion penalty or enters into a payment plan. The registration hold shall be reinstated if the registered owner is delinquent under the payment plan for more than 10 days.

- 16) Restricts an issuing agency from assigning an unpaid toll invoice to a collection agency until 180 days after the date shown on the third invoice.
- 17) Requires that bridge, road and express lane toll evasion penalties be collected as civil penalties.
- 18) Requires an issuing agency to establish a payment plan option applicable to toll evasion penalties.
- 19) Requires that within 21 days from the issuance of the notice of toll evasion violation, or within 30 days from the mailing of the notice of delinquent toll evasion, whichever occurs later, a person may contest a notice of toll evasion violation or a notice of delinquent toll evasion without having to pay the outstanding toll or toll evasion penalty.
- 20) Requires the issuing agency to waive toll evasion penalties for a first violation with the issuing agency under designated circumstances; the person shall still be liable the toll.

FISCAL EFFECT:

Two of this bill's provisions require new work of the DMV.

First, this bill requires DMV to modify its driver license renewal by mail form to (a) inform the person that they may also need to change their address for purposes of their vehicle registration, (b) include instructions on how to update vehicle registration information and (c) provide the information in 14-point type or larger, all of which the bill requires DMV do in a language the customer understands. Second, the bill requires DMV to suspend a vehicle's registration upon notice of a toll violation, as specified.

The DMV reports each provision will require DMV to modify its information technology (IT) systems, including to record information on the language its customers understand, which DMV reports it currently does not track. DMV notes it is completely rebuilding its IT systems, a process DMV refers to as the "Enterprise Modernization Project – the Digital eXperience Platform (DXP)." DMV anticipates the project to last through fiscal year 2025-26. DMV contends the changes called for by this bill will require DMV to both modify its existing IT systems (which DMV refers to as its "core legacy systems") as a temporary solution and to incorporate the requirements of this bill into the DXP as a permanent solution. DMV contends doing so will cost "multiple millions of dollars."

DMV was not able to specify how much cost it attributes to modifying its core legacy systems and how much it attributes to incorporating the requirements of this bill into the DXP. DMV warned, however, that expanding the DXP project would be a change in project scope, which would be costly and jeopardize on-time completion of the project.

Were the author to delay implementation of this bill until mid-2027, DMV would experience neither the costs to modify its core legacy systems nor the expansion in scope of the DXP project. DMV would still face costs to modify the then-completed DXP, whatever those costs may be. DMV notes that it will also face costs to modify the driver license renewal notice but could not estimate a dollar amount associated with these costs at the time this analysis was prepared.

COMMENTS:

- 1) **Purpose.** The author intends this bill to address what the author sees as unfair practices that have arisen as toll agencies have transitioned from in-person toll collection to automated toll collection. According to the author:

As toll agencies have shifted from in person toll payment to a mailed invoice, the process must change to accommodate this reform. Several circumstances can hinder a person's ability to pay the fines associated with an unpaid toll. One outstanding issue with the switch to electronic payment is its direct impact on people who do not have a debit or credit card to pay their invoice online. The Metropolitan Transportation Commission's (MTC) data shows that between January and August of 2021, 5.1 million second notice violations were sent out and only 12 percent were actually paid. Under current law, agencies have the authority to charge hundreds of dollars in fines. Such penalties create significant financial burden and consequences such as a DMV hold on an individual's vehicle registration. Those most impacted are lower income individuals, people of color, and non-English speaking Californians. AB 2594 provides a comprehensive solution to address toll penalties by creating a process to instill equity in the payment process, and addressing the needs of unhoused and unbanked drivers.

- 2) **Background.** The state has many toll roads and bridges. Toll operators in the state include the Bay Area Toll Authority (BATA), which manages toll revenues from the Bay Area's seven state-owned bridges and FasTrak toll tags for non-stop travel through Bay Area toll booths, express lane access and parking at the San Francisco International Airport. The Riverside County Transportation Commission (RCTC) operates more than 70 miles of tolled express lane facilities on the 91 Corridor and more recently on Interstate 15. The Toll Roads of Orange County operate on state routes 73, 133, 241 and 261. Increasingly, these toll roads use automated toll collection systems.

State law requires a person who uses a toll facility to pay the required toll. Failure to do so can result in fines, and state law authorizes a toll facility to collect unpaid tolls and fines through the DMV, with the value of such tolls and fines added to the cost of registering the offending vehicle.

In November 2021, SPUR released a report called *Bridging the Gap* that looked at tolls in the Bay Area and their impacts on low-income people. According to SPUR, there are four key problems with the current system for dealing with unpaid tolls: (a) mailing address errors, (b) accessibility barriers, (c) high fines and fees and (d) a lack of payment plan options. SPUR found that in 2019 there were five million unpaid tolls resulting in fines and fees in the Bay Area and 70% were sent to the DMV or collection agencies, with each violation accruing at least \$70 in fines and fees for a \$6 toll.

This bill attempts to address the types of problems identified by SPUR.