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**FISCAL IMPACT STATEMENT**

**LS 6985**

**BILL NUMBER: SB 473**

**NOTE PREPARED: Apr 8, 2011**

**BILL AMENDED: Apr 8, 2011**

**SUBJECT:** Various Transportation Issues.

**FIRST AUTHOR:** Sen. Wyss

**FIRST SPONSOR:** Rep. Soliday

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Public-Private Agreements*: It permits, without legislative recognition, the location of certain tollways, converting part of I-69 to a tollway, issuing requests for proposals, and entering into a public-private agreement for certain highway projects.

It requires the Budget Committee to meet within 90 days and conduct a review of any project that includes tolls.

The bill retains provisions requiring legislative recognition for certain projects concerning the construction of Interstate Highway 69 and the designation of a toll road on a part of an interstate highway south of Indianapolis.

*Moving Violation*: It provides that the owner of a motor vehicle that passes through a toll collection facility without payment of the proper toll commits a moving violation, a Class C infraction.

*Bureau of Motor Vehicles*: It authorizes the Bureau of Motor Vehicles (BMV) to withhold the registration of a vehicle used in the commission of a violation related to a tollway until the owner pays any applicable fines and fees. The bill also requires the BMV to remit the amount of any moving violation fines paid to the BMV to the entity that imposed the fines.

*Notifications*: The bill requires the Indiana Department of Transportation (INDOT) or the Indiana Finance Authority (IFA) to adopt rules to establish deadlines to issue citations for, and payment of fines imposed for, violations related to a tollway. The bill also requires the INDOT to establish a procedure to notify the BMV of unpaid fines for these moving violations.

*Common Construction Wage:* The bill provides that the common construction wage applies to projects that are subjects of public-private agreements entered into after June 30, 2011.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** *INDOT and IFA:* INDOT and IFA would incur minimal additional costs to adopt rules concerning moving violations and to create a system to notify the BMV of vehicle owners who have failed to pay fines, charges, or other assessments. Under the changes in the bill, INDOT and IFA would be able to operate open tolling systems which could reduce the expense of tolling and could offset the additional costs. The amount of these costs and cost-savings will vary by project.

*(Revised) Public-Private Agreements:* Under current law, in most cases, the Governor, INDOT, the IFA or an operator, may not approve the location of a tollway or a toll road, issue a request for proposal or enter into a public-private agreement, or determine that a highway should become a tollway without the approval of the General Assembly.

If a study provides for tolling, the Budget Committee would conduct a review of the study within 90 days of the report becoming available. [There are five members of the Budget Committee and four alternate members. The Budget Committee meets at various times throughout the year and held seven meetings in 2010. If the Budget Committee can review a proposal within the time limits of the bill during a regularly scheduled meeting, there would be no additional cost. If not, a separate one-day meeting in Indianapolis is estimated to cost \$2,300.]

*Withholding Registrations for Toll Violators:* This bill requires the BMV to withhold the registration of toll violators until the applicant pays the fine, charge, or assessment (plus any applicable fees). The BMV reports notices will be provided to individuals regarding (1) the withholding of their registrations and (2) the reinstatement of their registration. These notices cost \$0.55 per request.

Depending on when notices are distributed to toll violators (either monthly through a failure-to-pay notification or in real time), costs will vary. The maximum cost for providing real-time notifications to toll violators is estimated to be \$50,000 annually. However, if BMV elects to utilize monthly failure-to-pay notifications, the estimated cost is expected to be less than \$5,000 per year.

*(Revised) Common Construction Wage:* The requirement that all public-private partnerships pay the common construction wage is expected to have minimal fiscal impact. [Under current state law, any project over \$150,000 must pay the common construction wage, and under the federal Davis-Bacon Act, any project over \$2,000 must pay the prevailing wage. Since most road projects are larger than these project amounts and many include federal funding, the wage would be required in most circumstances.]

#### Background and Additional Information-

*Open Tolling:* The bill would facilitate open tolling by providing a mechanism to enforce toll collection. Open tolling is a method of collecting toll revenue through either transponder accounts or direct billing of toll road or tollway users. A gantry over the highway registers the electronic signal of a transponder or collects pictures of license plates of vehicles using the roadway. If a driver does not have a transponder, the toll road operator will receive billing information from the BMV and send the bill to the user. This method of tolling increases costs for notification both of the user and of BMV when users fail to pay. However, the

costs of open tolling are offset in several ways, including fewer staff, a collection point when a noncompliant user registers a vehicle, and smaller right-of-way usage without toll booths.

*Example of Open Tolling Savings:* INDOT estimates annual savings of \$500,000 for operation of the Wabash Bridge. The bridge has average annual daily traffic of 5,000 a day. Two employees will request billing information from Illinois and Indiana motor vehicle agencies. Currently, there are eight toll takers required for the bridge.

**Explanation of State Revenues:** *Moving Violation:* If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), the public defense administration fee (\$3), the court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Moving Violation:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

**State Agencies Affected:** Budget Committee.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** State Budget Agency; Indiana Department of Labor, *Guide to Establishing Indiana's Common Construction Wage*; [www.dol.gov/compliance/laws/comp-dbra.htm](http://www.dol.gov/compliance/laws/comp-dbra.htm).

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