



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1486

PRINTERS NO. 3604

PRIME SPONSOR: O'Neal

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
Motor License Fund	See "Fiscal Impact"	See "Fiscal Impact"
Pennsylvania Turnpike Commission Funds	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: Creates multiple specialty license plates, addresses registration plate frames, increases allowable contributions to the Children's Trust Fund, and makes omnibus turnpike collection and enforcement changes. The registration plate frame changes would take effect immediately, the Children's Trust Fund language would take effect in 180 days, and the blue star plate language would take effect in 120 days, while the remainder of the legislation would take effect in 60 days.

ANALYSIS: This legislation makes several changes to Title 74 (Transportation) and Title 75 (Vehicle Code) including the creation of several specialty license plates, plate frame design, contributions to the Children's Trust Fund for online renewals of driver's licenses, ID cards and vehicle registration, notification for V-tolls from the Turnpike Commission and additional enforcement of unpaid tolls.

Blue Star Family Plate: This legislation creates section 1366.2 (related to Blue Star Family Plate) under Vehicle Code. Under this section, PennDOT must issue to a family member of a person, who is an active-duty service member in the military, including a reserve component or national guard, a special registration plate designating the vehicle as belonging to a family member of a person serving on active duty in the military or a reserve component or national guard. The plate will have a fee of \$23 in addition to the annual registration fee.

PennDOT must design and produce this plate carrying the Blue Star which signifies that a family member is an active-duty service member which includes a reserve component or national guard. The words "Blue Star Family" must be clearly displayed along the bottom of the plate. The plate can only be used on a passenger car or truck with a registered gross weight of not more than 14,000 pounds.

PennDOT must require an applicant for the Blue Star Family plate to certify on a form that they are a family member of a person who is an active-duty service member in the military including a reserve component or national guard.

A person issued a Blue Star Family plate is not required to return the plate to PennDOT if a family member no longer serves on active duty. PennDOT is not required to periodically verify that a person issued a Blue Star Family plate still has a family member in active duty after the initial issuance of the plate.

Afghanistan and Iraq Veteran Plate: PennDOT is authorized to issue a special plate to Afghanistan and Iraq Veterans as follows:

- The applicant must demonstrate the individual is a veteran of the occupation or liberation of Afghanistan or Iraq.
- The fee for the plate is \$23.
- The plate may only be issued for a passenger car or truck with a gross weight of no more than 14,000 pounds.

Pollinator Conservation Plate: PennDOT is authorized to create a pollinator conservation plate as follows:

- The plate shall be designed in consultation with the Department of Agriculture.
- The plate may only be issued for a passenger car, motor home, trailer or truck with a gross weight of not more than 14,000 pounds.
- The fee for the plate shall be \$35.
- \$25 from each plate fee shall be deposited in the Pollinator Habitat Program Fund.
- Money deposited in the fund is to be used for roadside pollinator initiatives.

Children's Trust Fund Contribution: Allows voluntary contributions to the Children's Trust Fund when electronically renewing a driver's license or identification card and when renewing a vehicle registration as follows:

- An individual renewing a driver's license, identification card or vehicle registration through the departments (PennDOT) publicly accessible website can make a \$5 contribution to the Children's Trust Fund.
- Contributions shall be used by the Children's Trust Fund Board exclusively for the prevention of child abuse and neglect.
- PennDOT shall annually report the amount of contributions to the State Treasurer.
- The State Treasurer will transfer contributions from the Motor License Fund (MLF) to the Children's Trust Fund.
- PennDOT will provide information about the Children's Trust Fund and child abuse and neglect, along with instructions for applicants on how to contribute on their publicly accessible website and will include the address of the Children's Trust Fund to individuals who wish to make additional contributions.
- The Children's Trust Fund Board will include its annual report on the money received from contributions and how the funds were used. The Children's Trust Fund will reimburse the MLF for the annual costs incurred administratively by PennDOT.

Registration Plate Frames: The Vehicle Code's section regarding obscuring a registration plate is amended to allow plate frames, which were declared illegal under a recent court decision. The following changes are made:

- Technical changes are made to the section.
- Obscuring a plate includes a tinted plate cover.
- Obstructing a plate shall not include a registration plate frame that minimally outlines a plate in a manner that the plate's number and issuing jurisdiction is identifiable by law enforcement and automated enforcement systems.

TURNPIKE TOLL COLLECTION/ENFORCEMENT CHANGES

V-tolls:

- The PA Turnpike Commission (PTC) shall indicate on an E-ZPass account statement when a v-toll occurs, including date and dollar amount. A v-toll is a \$10 charge that occurs when the PTC cannot determine a vehicle's entry or exit point on the turnpike.
- The PTC shall post on its website information regarding v-tolls.
- The PTC shall send a notice to an E-ZPass account holder the first time the account holder incurs a v-toll in a calendar year. The notification shall be transmitted through a method selected by the account holder.
- The notice shall include all of the following:
 - Information regarding proper placement of a toll collection device.
 - Information regarding replacement of a toll collection device.
 - Notice that failure to correct the issue with the device may result in additional v-tolls and administrative fees.
 - Any other information at the discretion of the PTC.
- The PTC shall establish a process to appeal v-tolls.

Annual report:

- The PTC is required to issue an annual report to the General Assembly summarizing:
 - Collected and uncollected toll revenues for the previous FY.
 - Projected collected and uncollected toll revenues for the previous FY.
 - Reasons for uncollected toll revenues.

Feasibility study:

- The PTC shall conduct a feasibility study to review:
 - Third party processing for toll collection (apps like Apple Pay, Venmo, etc.).
 - Electronic push notification alerts to E-ZPass holders.

Vehicle registration suspension:

- The legislation amends the existing section of the Vehicle Code that authorizes vehicle registration suspensions for unpaid tolls as follows:
 - A registration can be suspended for 4 unpaid tolls (currently 6).
 - A registration can be suspended for \$250 in unpaid tolls (currently \$500).
 - The statute of limitations to collect an unpaid toll is increased to 5 years from the date the violation was committed (currently 3 years).

Fare evasion:

- The legislation amends the existing section of the Vehicle Code that authorizes criminal penalties for an individual who “intentionally or knowingly takes an affirmative action” to evade tolls on the turnpike system as follows:
- Makes technical changes to reflect the PTC’s current cashless tolling system.
- The term “affirmative action” is amended to include operating a vehicle without a toll collection device and altering, obstructing, covering, distorting, manipulating, or removing a license plate from a vehicle to impede electronic toll collection.

Technical changes:

- Numerous technical changes are made to the PTC’s tolling language in order to reflect the current E-ZPass and toll-by-plate cashless toll collection system.

FISCAL IMPACT: According to PennDOT, the creation of a new license plate ranges from \$10,000 to \$20,000 for systems changes and then \$500 for the license plate design. All the costs related to new license plates could be absorbed within current allocated funds.

According to PennDOT, allowing voluntary contributions to the Children’s Trust Fund when electronically renewing a driver’s license or identification card and when renewing a vehicle registration would require costs for systems changes that are estimated to be \$150,000 and costs to provide pamphlets/materials which are estimated to be \$7,000. Since this legislation provides that the Children’s Trust Fund must reimburse the MLF for any costs incurred by PennDOT in its administration of this new fund, the legislation would have no adverse fiscal impact on Commonwealth funds. In the event that 50,000 people donate \$5 per application for a driver’s license, ID card, or vehicle registration electronically, this would generate \$250,000 annually.

The PTC has indicated that they incurred bad debt expenses (primarily uncollected toll revenues) of \$155 million for fiscal year 2021-22 and \$104 million for fiscal year 2020-21. This legislation would provide the PTC with additional tools to begin collecting outstanding tolls from violators. At this point, it is indeterminable as to how much additional toll revenue can be collected as a result of this legislation

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DATE: October 26, 2022

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.