



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 2025

PRINTERS NO. 4069

PRIME SPONSOR: Reese

### COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
Commonwealth Funds *	See "Fiscal Impact"	See "Fiscal Impact"

\* Includes the Motor License Fund, Multimodal Transportation Fund, Public Transportation Trust Fund, Pennsylvania Turnpike Commission, Delaware River Port Authority, and the Delaware River Joint Toll Bridge Commission. See "Fiscal Impact" section for a further breakdown.

**SUMMARY:** Allows for temporary 'in-transit plates' which are valid for 60 days; empowers PennDOT to suspend vehicle registrations for unpaid tolls; provides for commercial driver's licenses; allows for a registration fee refund; addresses penalties for Homicide by Vehicle and Aggravated Assault by vehicle while using text based communication; eliminates the semi-annual inspection requirements on motor carrier vehicles over 17,000 pounds; provides for inspection stations and mechanics; adds sugar to the list of commodities that may receive an annual permit to haul in excess of 80,000 lbs; and makes improvements to the abandoned vehicle process. A number of provisions would take effect immediately, including the abandoned vehicle changes and the commercial driver's license changes. The Turnpike fare scofflaw provisions from would take effect in 9 months. The registration refunds for trucks and the once per year inspections would take effect in 90 days. The remainder of the legislation would take effect in 60 days.

**ANALYSIS:** This legislation amends Title 75 (Vehicle Code) to allow for temporary 'in-transit plates' which are valid for 60 days; empower PennDOT to suspend vehicle registrations for unpaid tolls; provides for commercial driver's licenses; allow for a registration fee refund; address penalties for Homicide by Vehicle and Aggravated Assault by vehicle while using text based communication; eliminate the semi-annual inspection requirements on motor carrier vehicles over 17,000 pounds; provide for inspection stations and mechanics; and to add sugar to the list of commodities that may receive an annual permit to haul in excess of 80,000 lbs; and makes improvements to the abandoned vehicle process.

**Temporary Registration Cards:** The legislation amends Section 1310 (Temporary registration cards) to allow a temporary vehicle registration issued to a vehicle acquired in PA for transportation to another state for registration to be valid for 60 days.

**Display of Registration Plate:** The legislation amends Section 1332 of the Vehicle Code to make it unlawful to display an obscured/covered/obstructed registration plate which inhibits the operation of an electronic toll collection system.

**Suspension of Registration for Unpaid Tolls:** This legislation also provides for the suspension and surrender of registration plates/cards due to unpaid tolls. Failure to pay six or more violations for unpaid tolls or incurring tolls/administrative fees of \$500 shall trigger a suspension of a registration. The tolling entity, prior to notifying PennDOT, is required to provide the owner/registant with a written notice of its intent to seek suspension of the registration, and to afford the owner/registant the opportunity to have an administrative hearing. The tolling entity is required to notify PennDOT when all violations are accounted for, and to provide the owner/registant with a release from the suspension. No suspension may be imposed more than 3 years after the violation is committed.

For violations outside of PA, PennDOT shall suspend the registration of a vehicle upon notification from a tolling entity that has entered into an enforcement agreement with PennDOT for any toll violation of that state or an authority or for failure to pay any fine or costs imposed in accordance with the laws of that jurisdiction. Any person who provides proof to PennDOT that the full amount of the fines and costs have been forwarded to and received by the other state may be regarded as paid. The reinstatement of operating privilege or vehicle registration under Section 1960 allows PennDOT to charge \$88 to restore a person's registration following a suspension.

**Commercial Driver's License:** The legislation permits PennDOT to grant a state wavier from a hazardous materials endorsement for commercial drivers for certain agricultural field workers.

**Motor Carrier Refund:** This legislation also amends Section 1916 (relating to trucks and truck tractors) to allow the registration fee for a motor carrier vehicle in excess of 17,000 pounds to be refunded if the vehicle is stolen or demolished. The refund shall be pro-rated based on the number of months the vehicle was operational and, in the case of apportioned registrations, PennDOT only has the authority to refund the fees paid for the PA portion of the registration.

**Homicide by Vehicle:** The legislation amends Sections 3732 and 3732.1 to provide for the enhanced penalties of homicide by vehicle and aggravated assault by vehicle for texting while driving if a death or serious bodily injury occurs.

**Semiannual Safety Inspections:** This legislation amends Section 4702 (relating to requirement for periodic inspection of vehicles) to eliminate the requirement for motor carrier vehicles with a registered gross weight in excess of 17,000 pounds to be subject to a semiannual safety inspection.

**Inspection Stations and Mechanics:** The legislation removes the "grandfather clause" for inspection mechanics, which means that mechanics certified prior to 1983 will continue to be deemed in compliance with recertification standards.

This legislation amends Sections 4724 (Suspension of certificates of appointment) and 4726 (Certification of mechanics) to allow PennDOT to both suspend and impose a monetary penalty on an inspection station, rather than making it an either/or situation.

**Hauling Permits:** The legislation amends Section 4968 to add sugar to the list of commodities that may receive an annual permit to haul in excess of 80,000 lbs.

**Removal of Abandoned Vehicles:** This legislation mends Section 7311.1 to make improvements to the abandoned vehicle process.

**FISCAL IMPACT:** Please see below for fiscal impacts by policy item:

**Suspension of Registration for Unpaid Tolls:** Of the \$766 million in E-ZPass revenue collected during the PTC’s last fiscal year, approximately \$5.4 million, was considered “uncollectible” violation revenues and were written off after collection efforts or adjusted charges were exhausted.

Below is a chart of potential revenues that could be collected by the PTC using the \$5.4 million as the base uncollectable amount:

<b>Pennsylvania Turnpike Commission (PTC)</b>	
<b>% of Additional Violations Collected</b> (previously written off as forgiven debt)	<b>Potential Annual Revenues Collected</b>
20%	\$1,087,006
30%	\$1,630,509
40%	\$2,174,012
50%	\$2,717,515

The Delaware River Port Authority (DRPA) indicates that just over \$7 million in toll revenue and administrative fees is outstanding. Below is a chart of potential revenues that could be collected by the DRPA using \$7 million as the base uncollectible amount:

<b>Delaware River Port Authority (DRPA)</b>	
<b>% of Additional Violations Collected</b> (previously uncollected and accruing late & administrative fees)	<b>Potential Annual Revenues Collected</b>
20%	\$1,404,030
30%	\$2,106,045
40%	\$2,808,060
50%	\$3,510,075

The Delaware River Joint Toll Bridge (DRJTBC) indicates that just over \$5.1 million in toll revenue and administrative fees is outstanding. Below is a chart for potential revenues that could be collected by the DRJTBC using \$5.1 million as the base uncollectible amount:

<b>Delaware River Joint Toll Bridge Commission (DRJTBC)</b>	
<b>% of Additional Violations Collected</b> (previously uncollected and accruing late & administrative fees)	<b>Potential Annual Revenues Collected</b>
20%	\$1,013,000
30%	\$1,519,500
40%	\$2,026,000
50%	\$2,532,500

The Motor License Fund (MLF) would also receive additional revenues under this provision as a violator would have to pay the \$88 reinstatement charge under Section 1960 of the act. The PTC indicated that there were just under 1.7 million violation notices issued in FY 2015-16. If 10% of these PTC toll violations qualified under Section 1380 for a registration suspension, this would result in approximately \$14.8 million to the MLF.

**Motor Carrier Refund:** According to PennDOT, refunding registration fees would result in reduced revenue for the Commonwealth. Estimated loss of annual revenue would be approximately \$265,000 solely to the Motor License Fund. This is calculated by taking into account the number of salvaged, non-repairable, and stolen vehicles in excess of 17,000 pounds in FY 2014-15 and subtracting the number of plate transfers from the same vehicle classes.

PennDOT would also incur a one-time cost of approximately \$256,000 to update their systems for the refunding requirement within the legislation.

**Homicide by Vehicle:** The provisions within Sections 3732 and 3732.1 could have an impact on Commonwealth and local finances by lengthening sentences for those convicted of homicide by vehicle and aggravated assault by vehicle. According to data provided by the Pennsylvania Commission on Sentencing, in 2015 there were 38 convictions for homicide by vehicle and 45 for aggravated assault by vehicle. What is not known is how many of these incidents involved texting, and how many additional months or years would be added to the sentences as a result of this legislation.

**Semiannual Safety Inspections:** According to PennDOT, the provision that would eliminate the semi-annual inspection requirement would result in the approximate loss of \$352,000 in revenue from lost sticker sales to the Commonwealth annually. The breakdown per fund is as follows:

<b>Fund</b>	<b>%</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
Motor License Fund	10%	Minimal	\$36,608
Multimodal Transportation Fund	23%	Minimal	\$80,960
Public Transportation Trust Fund	67%	Minimal	\$234,432

These changes would only have a minimal impact on FY 2016-17 as the legislation would not take effect for 90 days after enactment.

PennDOT would save approximately \$8,000 annually from not having to purchase the semi-annual stickers for the qualifying vehicles within this legislation.

This remainder of this legislation would have no adverse fiscal impact on Commonwealth funds.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** October 25, 2016

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