



Agenda Item No. (7)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 22, 2023

From: Jennifer Mennucci, Director of Budget and Electronic Revenue
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **APPROVAL OF CHANGES TO TOLLING POLICIES TO COMPLY WITH AB 2594**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize the execution of the following revisions to the District's Master Ordinance to comply with the passage of Assembly Bill (AB) 2594:

1. Decrease the maximum penalty per toll violation to \$50 starting on July 1, 2024:
 - a. First Notice: Toll amount plus twenty-five dollar (\$25.00) penalty
 - b. Second Notice: twenty-five dollar additional (\$25.00) penalty
2. Decrease the toll tag deposit from \$20.00 to \$5.00 for FasTrak accounts funded with cash and decrease the fee for a replacement tag from \$20.00 to \$5.00.

This matter will be presented to the Board of Directors at its June 23, 2023, meeting for appropriate action.

Summary

On September 30, 2022, Assembly Bill AB 2594 authored by Assemblymember Ting was signed into law. AB 2594 mandates certain tolling policies and procedures for all California toll agencies, some of which the Golden Gate Bridge, Highway and Transportation District (District) already has in place on its toll facility.

This item is intended to: 1) inform the Board of Directors (Board), in general, of the tolling policies and procedures mandated by AB 2594; 2) describe certain changes to the District's tolling policies and procedures required by the new law, and specify where the District intends to implement changes that meet or exceed the new requirements for a more customer-friendly approach; and, 3) request authorization from the Board to execute two changes to the District's Master Ordinance that are required to comply with AB 2594.

AB 2594

This bill mandates certain tolling policies and procedures for California toll agencies, which include:

- Lowers maximum penalties for toll violations (changes current law);
- Creates a first-time penalty waiver under designated circumstances;
- Requires toll bridges to provide a one-time penalty waiver for individuals meeting certain income criteria and other requirements for transactions that occurred between March 20, 2020 and January 1, 2023;
- Requires toll bridges that permit electronic toll collection to send an invoice for unpaid tolls to the registered vehicle owner;
- Requires development of a payment plan for individuals meeting certain income criteria;
- Requires toll agencies to provide an option for those using rental cars to register the vehicle to an electronic toll payment account in advance of using the toll facility and develop a statewide website with this information for all toll facilities;
- Specifies a minimum number of locations in proximity to toll facilities where people can get a toll tag or pay invoices and violations with cash;
- Specifies minimum hours of operation for telephone customer service and walk-in centers;
- Requires the Department of Motor Vehicles to inform individuals of the need to separately update their vehicle registration address when applying for or renewing their driver's license (does not apply to toll agencies);
- Requires that the price of a toll tag does not exceed the reasonable cost to the toll agency based on the estimated cost to procure and distribute the device.

The District already has policies in place that comply with some of these requirements. For example, since the implementation of all-electronic tolling (AET) at the Golden Gate Bridge in March 2013, the District has issued toll invoices prior to issuing violation notices for Golden Gate Bridge crossings; and the District has provided an option for rental car customers to pay tolls directly. The District has also maintained a discretionary one-time waiver policy that is separate from, and will not be impacted by, this legislation.

With regard to the AB 2594 requirements that necessitate changes to the District's policies and procedures, the District is working with its Regional Customer Service Center partner, Bay Area Toll Authority (BATA), to implement those changes in compliance with the new law. There are two programs mandated by AB 2594 for which the District intends to implement policies that meet or exceed what is required, which are described below.

Payment Plan and One-Time Toll Evasion Penalty Waiver

With regard to the one-time penalty waiver and payment plan for individuals meeting certain income criteria, the District intends to implement policies that meet or exceed the minimum requirements imposed by the new law. Doing so is beneficial to Golden Gate Bridge customers and also to the regional toll program because both the District and BATA plan to implement the

same policies, which provides consistency for the region's toll paying customers, as well as a streamlined customer service experience. These policies are more specifically described, below:

One-Time Toll Evasion Penalty Waiver

The legislation creates a new one-time waiver program for individuals meeting certain income criteria that applies to bridge toll evasion penalties occurring from March 20, 2020 through January 1, 2023. The waiver program allows a qualifying individual to request a complete toll violation waiver for penalties occurring during the designated timeframe if they first pay all outstanding tolls subject to the penalty waiver and any related DMV fees. The waiver program also authorizes toll agencies, as a condition of the waiver, to require CA vehicle registrants to open a FasTrak[®] account. The waiver is offered on a one-time basis to any individual meeting the income criteria who requests it. The waiver program must be implemented by July 1, 2023 and be available through September 30, 2024, as required by AB2594.

The District intends to expand upon the requirements of AB 2594 and, starting July 1, 2023, offer this one-time waiver program to all customers, regardless of income level, with no limitation on the timeframe for when toll evasion penalties occurred. To obtain the waiver, a customer must call the FasTrak[®] Customer Service Center and pay all tolls and DMV fees owed, or if eligible, enter into a payment plan and make the first payment. Customers will also be provided information on how to pay tolls to avoid receiving future violations and will be encouraged to open a FasTrak[®] account. This one-time waiver will be available through September 30, 2024, consistent with the requirements of AB 2594.

Payment Plan

The legislation also requires that all California toll agencies create a payment plan for individuals meeting certain income criteria that must go into effect on July 1, 2023 (July 1, 2024 for express lanes). To qualify, the legislation requires the household income to be equal to or below 200% of the federal poverty level. As an example, for a family of four, the amount would be \$55,500 in 2022 (levels change each year).

The District and BATA will offer the payment plan to those individuals meeting the income criteria with \$100 in outstanding tolls and penalties (including DMV fees), combined. This goes beyond the requirement in the legislation, which requires that payment plans be offered when penalties and fees exceed \$100. In addition, although the legislation provides that toll agencies are not required to offer a payment plan if a person has more than \$2,500 in outstanding penalties, the District will not place a maximum on the debt owed to enter into a payment plan.

The District will accept as a minimum first payment 50% of tolls owed or \$100, whichever is lower. In addition, although the legislation limits the number of payment plans to two every six years, the District will allow two payment plans every four years.

Request for Authorization

As mentioned, two requirements of AB 2594 necessitate changes to the District's Master Ordinance.

First, the legislation changes current law with regard to the allowable schedule of toll evasion penalties. Current law limits the first violation to \$100, the second violation to \$250 (for a second violation within 1 year), and \$500 (for each additional violation within 1 year). AB 2594 requires that, beginning July 1, 2024, the schedule of toll evasion penalties for toll bridge violations shall not exceed \$25 for the first violation notice, and shall not exceed \$50 for the second notice, for a cumulative total of \$50 for each individual toll evasion violation. These amounts are exclusive of DMV fees, which may be imposed in addition to the toll evasion penalties.

Second, the legislation requires by July 1, 2024, that the price of a toll tag does not exceed the reasonable cost to the toll agency based on the estimated cost to procure and distribute the device. The Bay Area reduced the price of a toll tag to \$5 since March 2022; however, the District's Master Ordinance needs to be updated to reflect this price.

Accordingly, the Finance-Auditing Committee recommends that the Board of Directors authorize the execution of the following changes to the District's Master Ordinance to comply with the passage of AB 2594:

1. Decrease the maximum penalty per toll violation to \$50 beginning July 1, 2024:
 - a. First Notice: Toll amount plus twenty-five dollar (\$25.00) penalty
 - b. Second Notice: twenty-five dollar additional (\$25.00) penalty
2. Decrease the toll tag deposit from \$20.00 to \$5.00 for FasTrak accounts funded with cash and decrease the fee for a replacement tag from \$20.00 to \$5.00.

Fiscal Impact

The fiscal impact to these revisions depend on customer behavior which is unknown at this time. The majority of the changes should not have a material impact on toll revenue however, the increase in waived penalties and the reduction of the maximum amount of the violation penalty are estimated to reduce toll revenue \$2 to \$3 million per year.

Attachment: Redlined Pages from 2022 Master Ordinance

California, or any of the agencies of either, or any political subdivision of the State of California.

D. COLLECTION OF TOLLS AND CHARGES

1. STANDARD TOLL COLLECTION. It shall be the duty of the General Manager, through employees and the District's contractors, to collect the revenue and deposits derived from the rates, tolls, traffic charges and special service charges established by the Board of Directors of the District, and to forthwith pay the same when collected, no later than forty-eight (48) hours thereafter (exclusive of Sundays and holidays) to the proper fund of the District, in the manner provided by the accounting system set up for receipt of revenues of the District.
2. ELECTRONIC TOLL COLLECTION. The District collects Bridge tolls through an Electronic Toll Collection System. The General Manager or designee is authorized to issue written procedures for implementing the Electronic Toll Collection System, consistent with this Master Ordinance, and Board direction as may be given from time to time. Bridge toll payment can be made automatically via FasTrak® Account, License Plate Account, One-Time Payment, or via invoice mailed to the registered owner of the vehicle.
 - a. FasTrak® Account
 - i. Toll Tag Deposit. The customer shall execute an Application and License Agreement providing for the terms and conditions for use of the toll tag and to establish a customer credit card or cash account with the District. For cash accounts, the customer shall deposit ~~twenty-five~~ dollars (\$~~205~~.00) for each toll tag. The deposit will be maintained for the duration of the active account, and will be refunded to the customer, without interest, upon return of the toll tag in good working condition to FasTrak®. The deposit will be forfeited if the toll tag is misused, damaged, lost, or stolen. No deposit shall be required for the first three (3) toll tags issued to a credit card account; however, the credit card account is subject to a charge of ~~twenty-five~~ dollars (\$~~205~~.00) for each toll tag that is misused, damaged, lost or stolen. A deposit is required for additional toll tags issued to a credit card account.
 - ii. Toll Payment.
 - (a) Credit Card Accounts. The customer shall establish an initial prepaid balance of twenty-five dollars (\$25.00) per toll tag and shall authorize the District to make automatic charges to the account to replenish it ("Replenishment Amount") whenever the account falls to or below the Replenishment Threshold. The Replenishment Threshold is reached when the balance in a credit account equals two

One-Time Payment, Invoice Payments, and License Plate Account replenishment until further notice.

- 4. TOLL EVASION PENALTIES AND VIOLATION ENFORCEMENT. It is a violation of the toll evasion statutes under Vehicle Code Section 4770 et seq., 23302 et seq., Section 40250 et seq., and Streets and Highways Code Section 30843 to fail to pay the established Bridge toll. An invoice will be mailed for any transaction that cannot be paid automatically via FasTrak®, License Plate Account or One-Time Payment. It is a violation of the toll evasion statutes to fail to pay an invoice by the invoice payment due date. Pursuant to authority granted in Streets and Highways Code Section 27174.1, the District shall enforce this ordinance relating to toll evasion by issuance of notices of toll evasion violation, delinquent toll evasion and the imposition of civil penalties. Violators are subject to penalty as set forth below, effective July 1, 2024.

For All Violations:

First Notice: Toll plus twenty-five dollars (\$25.00) penalty

Second Notice: Toll plus ~~seventy~~ fifty dollars (~~\$70~~ \$50.00) penalty

Exceptions: (1) If the violation is the fault of the agency; (2) For the first time offense, a non-customer can open a FasTrak® account and the twenty-five dollar (\$25.00) penalty will be waived; and, (3) For FasTrak® account holders with a positive account balance and License Plate Account holders whose account is in good standing, the toll only will be posted to their account.

Also, in compliance with state law, if the registered owner makes payment within fifteen (15) days of the mailing of the second notice, the applicable penalty is reduced to the lower penalty of twenty-five dollars (\$25.00).

A processing fee will be applied to violations sent to the Department of Motor Vehicles (DMV) for a registration hold in the amount of the DMV recording fee stated in 13 Cal. Code Reg. 431.00, as may be amended from time to time.

- 5. RETURNED CHECK FEE. Any returned check is subject to a fee of twenty-five dollars (\$25.00).

[Ordinance No. 2018-002]

E. PROVISION OF SERVICES