

**SUBJECT:** Exempting private toll projects from certain billing requirements

**COMMITTEE:** Transportation — committee substitute recommended

**VOTE:** 11 ayes — Canales, Bernal, Y. Davis, Goldman, Krause, Leman, Martinez, Ortega, Raney, Thierry, E. Thompson

0 nays

2 absent — Landgraf, Hefner

**WITNESSES:** For — Steve DeWitt, Blueridge Transportation Group; James Hernandez, Harris County, Harris County Toll Road Authority; (*Registered, but did not testify*: Eran Tolidano and Enrique Martin de Valmaseda Rojo, Blueridge Transportation Group; Matt Hanks, Brazoria County; Aimee Bertrand, Harris County Commissioners Court; Colin Parrish, Orrick)

Against — Todd Key, NETTP; Crystal Main, Northeast Tarrant Tea Party; Terri Hall, Texas TURF and Texans for Toll-Free Highways; Don Dixon; Jack Finger; Lynda Somma; (*Registered, but did not testify*: Angela Smith, Fredericksburg Tea Party; Susan Dantzler, Lege Dir Texas Nationalist Movement; Sheila Hemphill, Texas Right To Know; and 23 individuals)

On — (*Registered, but did not testify*: Brian Ragland, Texas Department of Transportation)

**BACKGROUND:** Transportation Code sec. 228.0545 allows the Texas Department of Transportation (TxDOT) to use video billing as an alternative toll payment method. TxDOT must send a written invoice to the registered owner of the vehicle for the toll. Under sec. 228.0546, an invoice must require payment no later than 30 days after the invoice was mailed and conspicuously state the amount due, the date due, and that failure to pay will result in an administrative fee.

Sec. 228.0547 requires a person who receives an invoice to pay the

amount owed for the toll or send a request to TxDOT for a review of the toll assessment. If a person fails to comply, TxDOT may add an administrative fee of up to \$6. The cumulative administrative fees for a person in a year may not exceed \$48.

Sec. 223.201 allows TxDOT to enter into a comprehensive development agreement with a private entity to design, develop, finance, construct, maintain, or operate a toll project.

**DIGEST:** CSHB 2578 would exempt toll collection by a private participant or subcontractor under a comprehensive development agreement entered into before September 1, 2017, from the billing requirements in Transportation Code secs. 228.0545, 228.0546, and 228.0547.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

**SUPPORTERS SAY:** CSHB 2578 would allow certain tolling projects that had contracted with TxDOT before the implementation of SB 312 by Nichols in 2017 to continue to issue bills in the manner negotiated by their contract. SB 312, which amended billing operations and capped toll fees, had a large financial impact on such companies because they based their bids for tolling projects on the law at the time. If the companies could not recover lost revenue, this could have negative consequences on their bond ratings. This bill would allow those companies to continue tolling projects with long-term financial stability.

The bill also would help provide consistency between toll roads. Tolling projects currently contracting with TxDOT must meet the requirements established by SB 312, but county regional tolling authorities do not. Any future planned projects in which a TxDOT toll road met up with a county toll road would lead to inconsistencies in how toll users were billed. CSHB 2578 would ensure that those planned projects could remain consistent for motorists. This bill is not about charging higher fees on toll users but continuing current toll contracts to ensure consistent toll project

operations and financial stability for contractors.

**OPPONENTS  
SAY:**

CSHB 2578 would improperly work to reverse for some private companies the administrative fee caps put into place in 2017 to ensure that tolling authorities did not overly burden toll users. Those changes made during the 2017 legislative session were important protections for Texans, but this bill would leave certain toll users unprotected from large fees on the stretch of road operated by a specific business under a comprehensive development agreement with TxDOT. This agreement should not tie the hands of the Legislature in making future policy decisions.