

- SUBJECT:** Allowing a service fee for third-party toll collection payments.
- COMMITTEE:** Transportation — favorable, without amendment
- VOTE:** 9 ayes — Pickett, Martinez, Y. Davis, Fletcher, Israel, Minjarez, Murr, Paddie, Simmons
- 0 nays
- 4 absent — Burkett, Harless, McClendon, Phillips
- SENATE VOTE:** On final passage, April 30 — 30-1 (Schwertner), on local and uncontested calendar
- WITNESSES:** No public hearing
- BACKGROUND:** Transportation Code, sec. 228.052 allows the Texas Department of Transportation to enter into an agreement with one or more private entities to provide services, equipment, systems, and staff to operate a state highway toll project or system.
- Sec. 228.057 establishes electronic toll collection accounts, better known as TxTag accounts, which use transponder devices placed on or inside a vehicle capable of transmitting information to assess or to collect tolls from an account maintained by the toll customer.
- DIGEST:** SB 1467 would allow a private entity that allowed customers to make electronic toll account payments under an agreement with the Texas Department of Transportation (TxDOT) in a location other than a TxDOT office to assess a service charge in addition to the amount paid on the account. The Texas Transportation Commission would set the maximum service charge, which could not be greater than \$3.
- The bill would take effect September 1, 2015.
- SUPPORTERS** SB 1467 would improve customer service for toll customers across Texas

SAY: who prefer to replenish their accounts in person. An outside vendor currently operates the TxTag system for electronic toll payments. There is only one TxTag service center in the state, located in Austin, where motorists can pay bills in person or speak face-to-face with a representative. Visiting the Austin service center is inconvenient for many Texans who live far away.

By allowing third parties to assess a service fee for toll account payments, the bill would encourage third parties, such as supermarkets, to contract with the Texas Department of Transportation (TxDOT) to provide these services. In exchange for a reasonable service charge that could not exceed \$3, the bill would provide motorists with additional payment options and make driving on toll roads more convenient.

It would likely be cheaper for TxDOT to contract with third parties who had existing facilities to accommodate customers making payments than for the department to build or establish new service centers for the purpose of processing TxTag accounts.

OPPONENTS  
SAY: SB 1467 would allow third parties to charge fees on top of the amounts customers pay into their TxTag accounts. Toll roads create too much unnecessary bureaucracy as things stand, and this measure would expand that bureaucracy. Moreover, adding a surcharge to tolls would compound the financial burden faced by Texans who are already paying to drive on toll roads.

It is unclear that allowing third parties to process toll payments would be more cost-effective than if TxDOT simply opened more toll service centers around the state.