

REQUIRE STATE TO ENFORCE COLLECTION OF TOLLS FOR INTERNATIONAL BRIDGE OR TUNNEL OPERATORS

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House Bill 4809 (H-1) as referred to second committee

Sponsor: Rep. Bryan Posthumus

1st Committee: Transportation and Infrastructure

2nd Committee: Rules

Complete to 11-13-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4809 would amend the Michigan Vehicle Code to require the secretary of state (SOS), upon appropriation and authorization of full-time employees, to implement a tolling enforcement program. Under the program, SOS would have to enter into an agreement, at the request of a public or private international toll bridge or tunnel operator that uses an automatic tolling system, to exchange information about unpaid tolls and assist in collection enforcement for that operator. Among other things, the agreement would have to include dispute resolution procedures and provisions for the SOS to provide the toll operator with the names and addresses of individuals who failed to pay a toll, based on their license plate numbers. The SOS also would have to refuse to issue or transfer a vehicle registration upon receiving notice from the toll operator that the registered owner of the vehicle had six unpaid tolls for more than 90 days after being notified. The SOS could enter into a reciprocity agreement with another state or a Canadian province for the enforcement and collection of tolls and related fees.

Tolling enforcement agreement

The bill would require the SOS, upon appropriation and authorization of full-time employees, to implement the tolling enforcement program described below. Under the program, at the request of an international toll bridge or tunnel *operator*, the SOS would have to negotiate with the operator and enter into a tolling enforcement agreement to help it collect unpaid *tolls*. The agreement would have to provide for all of the following:

- A method for determining the registered owner of a vehicle an individual failed to pay a toll for.
- The form of a notice of unpaid toll to be sent to such an individual.
- The fee the SOS can charge the operator for providing services under the agreement.
- A dispute resolution process for an individual to dispute a notice of unpaid toll.
- Standards for transmitting, retaining, and using information, and for a data breach, including that the operator cannot use information shared by SOS for any purpose other than collecting tolls.
- That the shared information must include both of the following:
 - The names and addresses of individuals alleged to have failed to pay a toll.
 - Toll transaction details of the vehicles and registration plates.
- A statement that the tolls and *related fees* collected by or on behalf of the operator are the operator's property and that the operator may do any of the following:
 - Establish, collect, and enforce the payment of tolls.
 - Exempt any vehicle or class of vehicles from the payment of tolls.
 - Determine the methods of payment of tolls.
 - Establish terms and conditions for registering and distributing *toll devices*.
 - Standards for who is responsible for a toll if the vehicle is rented or leased.

Operator would mean the owner or operator of a publicly or privately owned international toll bridge or tunnel that is wholly or partially located in Michigan and that uses an automatic tolling system to identify an individual responsible for paying a toll by detecting a toll device, photographing the individual's license plate, or both.

Toll would mean a toll for operating a vehicle on part of an international toll bridge or tunnel located in Michigan and any related fees.

Related fee would mean any fee or charge, including interest, allowed by law for creating, maintaining, administering, billing, and collecting an account.

Toll device would mean an electronic device used to identify a vehicle, including a transponder system, that is linked to an account for which an individual must register.

Billing for unpaid toll

Under the bill, if a motor vehicle travels on an international toll bridge or tunnel located in Michigan and the toll is not paid before or at the time of travel, the international toll bridge or tunnel operator would have to send a bill for the toll to the vehicle's registered owner or lessee by first-class mail or to an email address designated by the owner or lessee. The bill would have to be sent within 90 days after the travel occurs or, if the operator is relying on data from the SOS, within 90 days after the operator receives accurate data from the SOS. If the bill is not sent within the required time, the operator would waive collection of the bill.

Unless the registered owner or lessee consents to a different form of bill, the bill would have to include the owner's or lessee's name and address, the date and approximate time of the travel, an image of the vehicle's license plate if captured at the time, the toll amount due, an explanation of how to pay, the date to pay by to avoid a related fee, the amount of the related fee, a statement that the registration of a vehicle associated with six or more unpaid tolls cannot be renewed until the tolls are paid, and a clear and concise explanation of how to contest liability for the toll.

A registered owner or lessee who receives notice of an unpaid toll would have to pay the bill or dispute the unpaid toll with the international bridge or tunnel operator within 30 days after receiving the bill. If they fail to take either action in the required time, the operator could add reasonable related fees to the amount owed. The sum of any related fees could not exceed three times the toll amount per unpaid toll.

Appeal of adverse determination

A registered owner or lessee who disputes liability for a toll and has an adverse determination by the international toll bridge or tunnel operator could appeal the determination by sending a request for review to the SOS, subject to both of the following:

- If the request for review is not sent within 30 days after the international toll bridge or tunnel operator's determination, the right to review would be waived.
- If the request for review is timely sent with any required affidavit, the international toll bridge or tunnel operator could not collect the disputed toll or any related fee, and the SOS could not refuse to issue or transfer a registration issued to an owner or lessee, until the review is concluded.

If the SOS determines that the registered owner or lessee is responsible for the toll, the SOS would have to send a notice of that determination to the owner or lessee and the international

toll bridge or tunnel operator. The notice would have to include the number of unpaid tolls outstanding and a statement that an owner or lessee with six or more unpaid tolls will not be able to renew the vehicle's registration until at least one of the unpaid tolls, and its related fees, is paid.

If the SOS determines that the owner or lessee is not responsible for the unpaid toll, the international toll bridge or tunnel operator would have to absolve the owner or lessee of any liability for that unpaid toll and related fees and could not attempt any other method of enforcement and collection otherwise available.

Failure to pay tolls

If a motor vehicle is associated with six or more unpaid international bridge or tunnel tolls that remain unpaid for more than 90 days after the owner or lessee receives a notice as described above, the international toll bridge or tunnel operator could notify the SOS of the failure to pay on a form determined by the SOS. (If the operator later determines that the individual has fewer than six unpaid tolls and related fees, they would have to immediately notify the SOS.) The SOS would have to review the notice and make an initial determination of the registered owner's or lessee's responsibility. If the SOS makes an initial determination that the owner or lessee is responsible, the SOS would have to notify the owner or lessee that the vehicle is associated with six or more unpaid tolls and is subject to a registration hold as described below. The notice would also have to include an explanation of how to dispute the registration hold.

The bill would require the SOS to refuse issuance of a vehicle registration or a transfer of registration if the SOS has received notice from an international bridge or tunnel operator as described above that identifies the applicant for the registration or transfer, unless any of the following apply:

- The SOS receives a timely request for review with any required affidavits, as described below, and the review is pending.
- The SOS receives a notice that the operator has determined that the individual has fewer than six unpaid tolls and related fees due to the operator.
- The SOS otherwise determines that the applicant has fewer than six unpaid tolls and related fees due to the operator.

A registered owner or lessee who receives notice of a registration hold could request the SOS to review the unpaid tolls. The request for review and any required affidavit would have to be sent to the SOS within 30 days after the date of the registration hold notice. An owner or lessee who does not send a request for review within the required time would waive the right to a review. If the SOS determines that the registered owner or lessee is responsible for the tolls, it would have to send a notice informing the owner or lessee of that determination. If the SOS determines that the registered owner or lessee is not responsible for one or more of the unpaid tolls, the international bridge or tunnel operator would have to absolve the owner or lessee from any responsibility for those unpaid tolls and any related fees the SOS determines were not due and could not attempt any other method of enforcement and collection otherwise available.

The bill would require the SOS to refuse issuance of a vehicle registration or a transfer of registration to an owner or lessee who fails to timely request a review and provide any required affidavit or who is determined to be responsible for the unpaid tolls after review.

Presumption of responsibility

The registered owner or lessee of the vehicle is presumed to be the individual responsible for paying a toll under the bill. An individual disputing liability could establish that the vehicle was operated by another individual when the toll was incurred by submitting an affidavit attesting to one of the following:

- The name and address of the individual operating the vehicle at the time.
- That the vehicle was stolen, if supported by evidence of the theft such as an insurance or police report.
- That the vehicle was sold or transferred to another individual, if supported by evidence of a transfer such as insurance information, a bill of sale, or a copy of the title.

If the individual establishes that a vehicle was operated by another individual, that other individual would be liable for paying the toll.

Reciprocity agreements

Upon the written request of an international bridge or tunnel operator, the SOS could enter into a reciprocity agreement with the duly authorized representative of another *state* or *tolling entity* for the enforcement and collection of tolls.

State would mean any of the following:

- A state, territory, or possession of the United States.
- The District of Columbia.
- A province of Canada.

Tolling entity would mean an entity authorized to impose and collect tolls under the laws of Michigan or of another *state* (defined as above).

A reciprocity agreement would have to provide that if the issuance or a transfer of registration of a motor vehicle would be refused under the bill, or under a comparable law or regulation of another state or province, because the vehicle's registrant failed to pay applicable tolls, then the state issuing the registration will likewise refuse the issuance or transfer until the registrant has paid the tolls and otherwise complied with the rules and regulations of the state or province or tolling entity that imposed the tolls.

Before entering into a reciprocity agreement, the SOS would have to confirm all of the following, as applicable, and include them in the reciprocity agreement:

- The other state or tolling entity has its own effective reciprocal procedure for collecting tolls and agrees to collect tolls by employing sanctions for nonpayment that include denial of the issuance or transfer of registration of a motor vehicle.
- The other state or tolling entity provides adequate notice, due process, and appeal protections to avoid the likelihood of a false, mistaken, or unjustified claim of nonpayment.
- The registered owner of a motor vehicle registered in Michigan may present evidence to the other state or tolling entity by mail, telephone, electronic means, or other means to invoke rights of due process without having to appear personally in the other state where the nonpayment is alleged to have occurred.
- The SOS may charge the other state or tolling entity a fee sufficient to cover the costs of collection services.
- Additional terms and procedures as are necessary and proper to facilitate the administration of the reciprocity agreement.

Notwithstanding any law to the contrary, the SOS could release registration information and take other actions reasonably necessary to effectuate the enforcement or collection of tolls under a reciprocity agreement.

These provisions would not limit the enforcement or collection of a toll by any means available under the law.

Other provisions

The bill would not authorize an international bridge or tunnel operator to charge and collect tolls on an international bridge or tunnel if not otherwise authorized by law.

The SOS could promulgate rules necessary to implement the bill.

MCL 257.219 and proposed MCL 257.820a and 257.820b

FISCAL IMPACT:

The bill would result in one-time implementation costs to the Department of State as well as likely ongoing annual costs primarily related to administrative staff salaries. The bill would not allow the Department of State to create the required tolling enforcement program until funds and authorization for FTE positions are appropriated. New costs to the state would depend on the extent to which any new revenue the department collects from charging fees, as authorized by the bill, would cover implementation costs of the bill.

Initial one-time implementation costs would include information technology costs, for hardware and software, to enable the department to exchange data on vehicle and drivers as required by the bill. Actual hardware and programming costs are not yet determined. The average cost of a state information technology project is approximately \$300,000.

Ongoing costs would be related to providing a due process system to arbitrate disputes of toll operators' claims and would presumably be covered by department service fees charged to toll operators. Initial implementation costs would likely not be covered by fee revenue and need to be supported by GF/GP revenue or other state fund sources.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.