

Committee Report

CONSENT CALENDAR

January 30, 2019

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Public Works and Highways to which
was referred HB 515,**

**AN ACT establishing a commission to evaluate the cost-
effectiveness of toll collection on the New Hampshire
turnpike system. Having considered the same, report
the same with the following resolution: RESOLVED, that
it is INEXPEDIENT TO LEGISLATE.**

Rep. Michael Edgar

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Public Works and Highways
Bill Number:	HB 515
Title:	establishing a commission to evaluate the cost-effectiveness of toll collection on the New Hampshire turnpike system.
Date:	January 30, 2019
Consent Calendar:	CONSENT
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

This bill would establish a study commission to evaluate the cost-effectiveness of toll collection on the New Hampshire turnpike system. The sponsor questioned the cost-effectiveness of tolls on the turnpike system considering unintended costs caused by issues such as traffic congestion and a multitude of business related problems. It was stated that the turnpike system had a total revenue of \$141 million in FY18. It is highly unlikely to get that magnitude of increased revenue by decreasing traffic congestion and thereby stimulating local businesses. Therefore, the unanimous opinion of the committee was that this proposed commission was not necessary.

Vote 16-0.

Rep. Michael Edgar
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Public Works and Highways

HB 515, establishing a commission to evaluate the cost-effectiveness of toll collection on the New Hampshire turnpike system. **INEXPEDIENT TO LEGISLATE.**

Rep. Michael Edgar for Public Works and Highways. This bill would establish a study commission to evaluate the cost-effectiveness of toll collection on the New Hampshire turnpike system. The sponsor questioned the cost-effectiveness of tolls on the turnpike system considering unintended costs caused by issues such as traffic congestion and a multitude of business related problems. It was stated that the turnpike system had a total revenue of \$141 million in FY18. It is highly unlikely to get that magnitude of increased revenue by decreasing traffic congestion and thereby stimulating local businesses. Therefore, the unanimous opinion of the committee was that this proposed commission was not necessary. **Vote 16-0.**

Original: House Clerk

Cc: Committee Bill File

COMMITTEE REPORT

COMMITTEE: Public Works & Highways

BILL NUMBER: HB 515

TITLE: establishing commission to evaluate the cost-effectiveness of the N. H. turnpike system.

DATE: 01/22/2019 CONSENT CALENDAR: YES NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2nd year of biennium)

Amendment No.

STATEMENT OF INTENT:

This bill would establish a study commission to evaluate the cost-effectiveness of toll collection on the New Hampshire Turnpike System. The sponsor questioned the cost-effectiveness of tolls on the Turnpike System considering unintended costs caused by issues such as traffic congestion and a multitude of business related problems. It was stated that the Turnpike System had a total revenue of \$141 million in FY18. It is highly unlikely to get that magnitude of increased revenue by decreasing traffic congestion and thereby stimulating local businesses. Therefore the unanimous opinion of the committee was that this proposed commission was not necessary.

JRC

COMMITTEE VOTE: 16 - 0

RESPECTFULLY SUBMITTED,

- Copy to Committee Bill File
- Use Another Report for Minority Report

Rep. Michael Edgar
For the Committee

Voting Sheets

HOUSE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

EXECUTIVE SESSION on HB 515

BILL TITLE: establishing a commission to evaluate the cost-effectiveness of toll collection on the New Hampshire turnpike system.

DATE: January 29, 2019

LOB ROOM: 201

MOTIONS: **INEXPEDIENT TO LEGISLATE**

Moved by Rep. Edgar

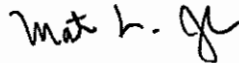
Seconded by Rep. Towne

Vote: 16-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,



Rep Martin Jack, Clerk

HOUSE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

EXECUTIVE SESSION on HB 515

BILL TITLE: establishing a commission to evaluate the cost-effectiveness of toll collection on the New Hampshire turnpike system.

DATE: 01/29/2019

LOB ROOM: 201

MOTION: (Please check one box)

OTP ITL Retain (1st year) Adoption of Amendment # _____ (if offered) Interim Study (2nd year)

Moved by Rep. Edgar Seconded by Rep. Towne Vote: 16 - 0

MOTION: (Please check one box)

OTP OTP/A ITL Retain (1st year) Adoption of Amendment # _____ (if offered) Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

OTP OTP/A ITL Retain (1st year) Adoption of Amendment # _____ (if offered) Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

OTP OTP/A ITL Retain (1st year) Adoption of Amendment # _____ (if offered) Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

CONSENT CALENDAR: X YES _____ NO

Minority Report? _____ Yes X No If yes, author, Rep: _____ Motion _____

Respectfully submitted: Martin L. Jack
Rep Martin Jack, Clerk



2019 SESSION

Public Works and Highways

Bill #: HB 515 Motion: ITL AM #: _____ Exec Session Date: 01/29/2019

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Cloutier, John R. Chairman	16		
Edgar, Michael A. Vice Chairman	1		
Ebel, Karen E.			
Jack, Martin L. Clerk	2		
Abbott, Michael D.	3		
Faulkner, Barry	4		
Newman, Sue A.	5		
Eaton, Daniel A.			
Pedersen, Michael P.	6		
Query, Joshua F.	7		
Towne, Matthew D.	8		
Ann, Ivy C.			
Graham, John A.	9		
Kolodziej, Walter	10		
Tilton, Franklin T.	11		
Milz, David E.	12		
Manigian, John C.	13		
McConnor, John T.			
Tomero, Paul J.	14		
Edolfi, Jim L.	15		
Leaudoin, Richard B			
TOTAL VOTE:	16	0	

Hearing Minutes

HOUSE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

PUBLIC HEARING ON HB 515

BILL TITLE: establishing a commission to evaluate the cost-effectiveness of toll collection on the New Hampshire turnpike system.

DATE: January 22, 2019

LOB ROOM: 201 **Time Public Hearing Called to Order:** 1:10 p.m.
Time Adjourned: 2:00 p.m.

Committee Members: Reps. Cloutier, Edgar, Jack, Ebel, Abbott, Faulkner, S. Newman, Pedersen, Query, Towne, Vann, Graham, Kolodziej, Tilton, Milz, Janigian, Somero and Fedolfi

Bill Sponsors:
Rep. Abramson Rep. Baldasaro

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

- (1) Rep. Max Abramson, prime sponsor
The RSA 237:16-H commission might be reactivated instead.
Business is noticing negative effects from traffic avoiding tolls.
Thinks the cost exceeds revenue.
Work is needed to surface roads, expensive compared to toll revenue.
Land takings take valuable commercial land.
Thinks there is adverse case law on legality of toll collections.
Toll booths cause accidents.
Q (Rep. Graham) Life safety issues vs. All-Electronic Tolling?
A: Still have traffic diverting, this is the main problem.
Q (Rep. Graham) How fund turnpikes without tolls?
A: Not answered.
Q (Rep. Graham) Can the commission do its work in the time available?
A: Yes.
Q (Rep. Tilton) You understand the highway and turnpike fund is separate?
A: The committee charge is only to create an estimate.
Wants net effect considering other economic activity.
Q (Rep. Janigian) What methodology to be used for count of evading drivers?
A: Thinks it is a linear function.
Q (Rep. Janigian) Doubts there is a correlation or that it is significant.
Q (Rep. Tilton) You understand only 3 toll increases in 1979, 1989, 2007?
A: Thinks Seabrook could see 2007 in the traffic counts.
Q (Rep. Faulkner) Knows about doing engineering studies on this.
Q (Rep. Towne) Toll evasion vs. local shopping traffic?
A: Shoppers avoid the congestion.
Q (Rep. Kolodziej) One state removed their tolls but increased their gas tax?
The cost doesn't go away.
A: Connecticut.
Q (Rep. Kolodziej) Traffic diverting onto Route 1? More traffic due to growth,

still have a revenue problem?

A: The commission will answer this.

Repeated earlier testimony.

(1) Chris Wazczuk and John Corcoran, DOT

* Arthur D. Little study (Attachment A)

* Letter from Commissioner Sheehan (Attachment B)

Taking no position on the bill.

Collection cost is 16 cents per transaction.

Turnpikes are totally funded by toll collections.

Transactions increased 11%, overall traffic increased 5.5%.

Open Road Tolling caused a traffic increase on the turnpike.

The system is reliable and efficient.

They would need a consultant to do the study; do not have inhouse expertise.

Q (Rep. Ebel) The Executive Council sets rates; what data do they get?

A: Would provide justification in terms of advancing project timelines.

Q (Rep. Ebel) Would the Executive Council consider the total effect?

A: Yes.

Q (Rep. Kolodziej) Gross revenue is 122 million?

A: Offset by debt service, maintenance, and cost of collection.

Q (Rep. Graham) Is there any holistic study on tax and other economic effects?

A: Not aware of any.

Q (Rep. Milz) Future intent is All-Electronic Tolling?

A: Moving to AET as toll plazas need replacement.

Q (Rep. Milz) You have data on net revenue?

A: Yes, it is in the Arthur D. Little study. Safety improves with ORT/AET.

Q (Rep. Ebel) Was there a prior study commission?

A: Not aware of any.

Q (Rep. Tilton) Is the Arthur D. Little study up to date?

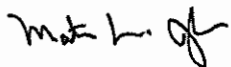
A: As a result of it, they implemented lean staffing model. Cost has continuously improved.

Q (Rep. Kolodziej) The letter quotes transaction counts?

A: 140 million toll revenue in FY18.

Rep. Abramson disclosed that he works in road construction.

Respectfully submitted,



Rep. Martin L. Jack,
Clerk

Testimony

HBSIS A

Review and Opportunity Screening of NH Turnpike's Toll Collection Operations

Executive Summary

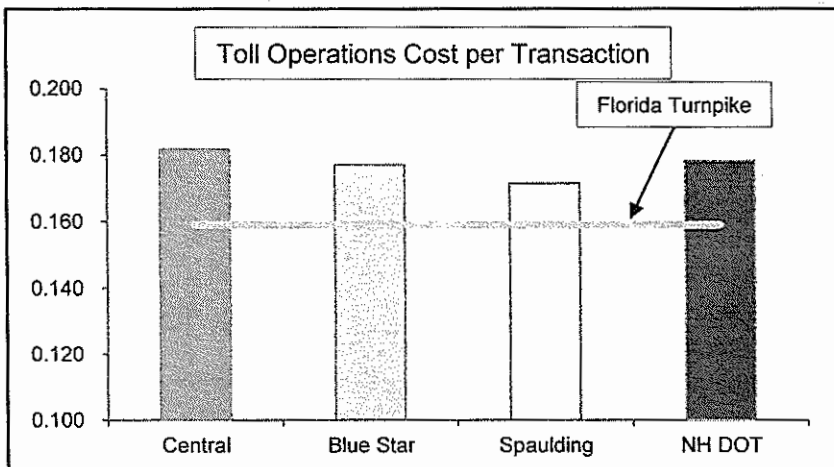
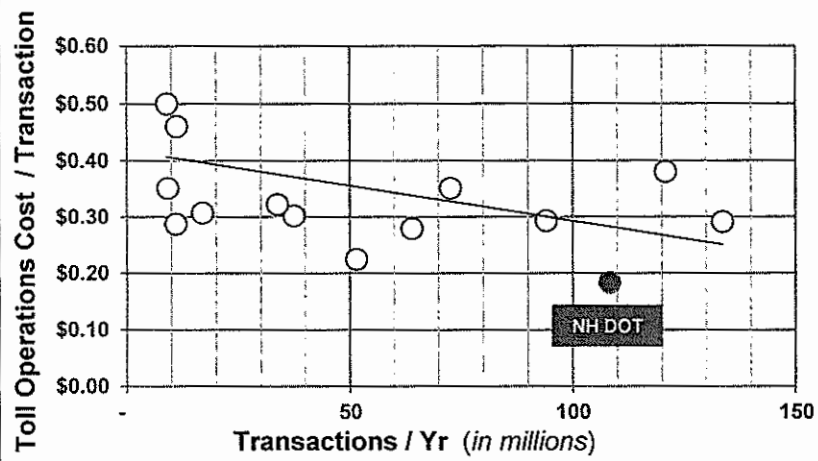
April 14, 2011

Arthur D. Little, Inc
One Federal Street
Suite 2810
Boston, MA 02110
U.S.A.



Benchmarking against other toll collection operations in the United States indicate that NH DOT is performing well compared to its peers.

Toll Collection Benchmarking and Best Practices



Findings and Conclusions

- The New Hampshire Bureau of Turnpikes is a well managed organization with an annual toll revenue of \$116 million and more than 110 million transactions
- Benchmarking of toll collection operations is difficult due to varying toll operations structure, ETC penetration and salaries.
- Compared to select turnpikes across the US, NH Turnpike is among the top performing turnpikes measured on a toll operations cost per transaction basis (CPT)
- According to our research, the Florida Turnpike operation has the lowest cost per transaction performance in the United States:
 - The toll collection operation is privatized and has improved its CPT ratio from 17.3 to 15.9 cents in FY2009 to FY2010
 - The achievement was realized due to a 11% reduction in toll collection costs primarily due to staff reduction in cash lanes
- If the New Hampshire Bureau of Turnpike's could improve its system-wide CPT from 18.3 cents in FY2010 to 15.9 cents it would represent an annual cost saving of approximately \$2.6 million

Bureau of Turnpikes
Toll Collection Costs
Fiscal Years 2006-2018
Cash Basis
Source: O&M

	Actual 2006 Note 1	Actual 2007 Note 2	Actual 2008 Note 3	Actual 2009	Actual 2010 Note 4	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018
Toll Operations (Personnel, Facility Costs)													
Central	\$ 4,333,671	\$ 4,586,933	\$ 4,889,593	\$ 5,079,315	\$ 5,276,617	\$ 5,296,590	\$ 5,001,624	\$ 4,734,766	\$ 4,246,530	\$ 3,881,717	\$ 3,772,152	\$ 3,874,295	\$ 3,932,028
Blue Star	\$ 3,500,471	\$ 3,463,424	\$ 3,499,707	\$ 3,524,649	\$ 3,639,822	\$ 3,634,051	\$ 2,994,370	\$ 2,691,070	\$ 2,497,009	\$ 2,544,771	\$ 2,387,744	\$ 2,410,350	\$ 2,476,678
Spaulding	\$ 1,691,361	\$ 1,758,681	\$ 1,719,741	\$ 1,846,675	\$ 1,923,162	\$ 1,917,438	\$ 1,693,414	\$ 1,659,749	\$ 1,779,242	\$ 1,840,608	\$ 1,746,129	\$ 1,723,285	\$ 1,807,134
	\$ 9,525,503	\$ 9,809,038	\$ 10,109,041	\$ 10,450,639	\$ 10,839,601	\$ 10,848,079	\$ 9,689,408	\$ 9,085,585	\$ 8,522,781	\$ 8,267,096	\$ 7,908,025	\$ 8,007,930	\$ 8,216,040

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Toll Operations (Personnel, Facility Costs)	\$ 9,525,503	\$ 9,809,038	\$ 10,109,041	\$ 10,450,639	\$ 10,839,601	\$ 10,848,079	\$ 9,689,408	\$ 9,085,585	\$ 8,522,781	\$ 8,267,096	\$ 7,908,025	\$ 8,007,930	\$ 8,216,040
EZPass Program Costs	\$ 3,668,357	\$ 3,712,639	\$ 4,249,412	\$ 5,484,669	\$ 5,259,045	\$ 5,292,775	\$ 5,644,940	\$ 4,650,929	\$ 5,817,946	\$ 6,270,368	\$ 6,790,881	\$ 6,930,277	\$ 2,990,996
E-ZPass BOS, Lanes, ORT Design											\$ 722,000	\$ 1,191,562	\$ 4,112,698
EZPass Misc Costs	\$ 72,823	\$ 66,051	\$ 72,088	\$ 51,520	\$ 4,477	\$ 49,633	\$ 22,380	\$ 23,638	\$ 44,494	\$ 28,121	\$ 40,634	\$ 105,615	\$ 102,460
Toll System Maintenance Costs	\$ 51,357	\$ 1,165,901	\$ 1,168,362	\$ 1,330,742	\$ 1,607,736	\$ 1,651,273	\$ 1,461,915	\$ 1,319,791	\$ 921,269	\$ 1,183,612	\$ 2,123,853	\$ 1,541,928	\$ 2,581,040
Banking & Credit Card Fees	\$ 1,483,864	\$ 1,441,297	\$ 1,707,048	\$ 1,843,479	\$ 2,055,608	\$ 2,166,825	\$ 2,145,488	\$ 2,104,448	\$ 2,200,115	\$ 2,311,143	\$ 2,524,485	\$ 2,804,865	\$ 3,372,195
Transponder Purchases (Cash Basis: Net of Sales)	\$ 2,962,000	\$ (255,000)	\$ (73,000)	\$ 41,000	\$ 54,631	\$ 44,359	\$ (177,738)	\$ 287,796	\$ (234,726)	\$ 351,111	\$ (336,019)	\$ 201,881	\$ (112,483)
Total Collection Costs (all costs inclusive)	\$ 17,763,904	\$ 15,929,926	\$ 17,232,951	\$ 19,202,049	\$ 19,821,098	\$ 20,052,944	\$ 18,786,393	\$ 17,452,187	\$ 17,271,879	\$ 18,411,451	\$ 19,773,859	\$ 20,784,058	\$ 21,262,946

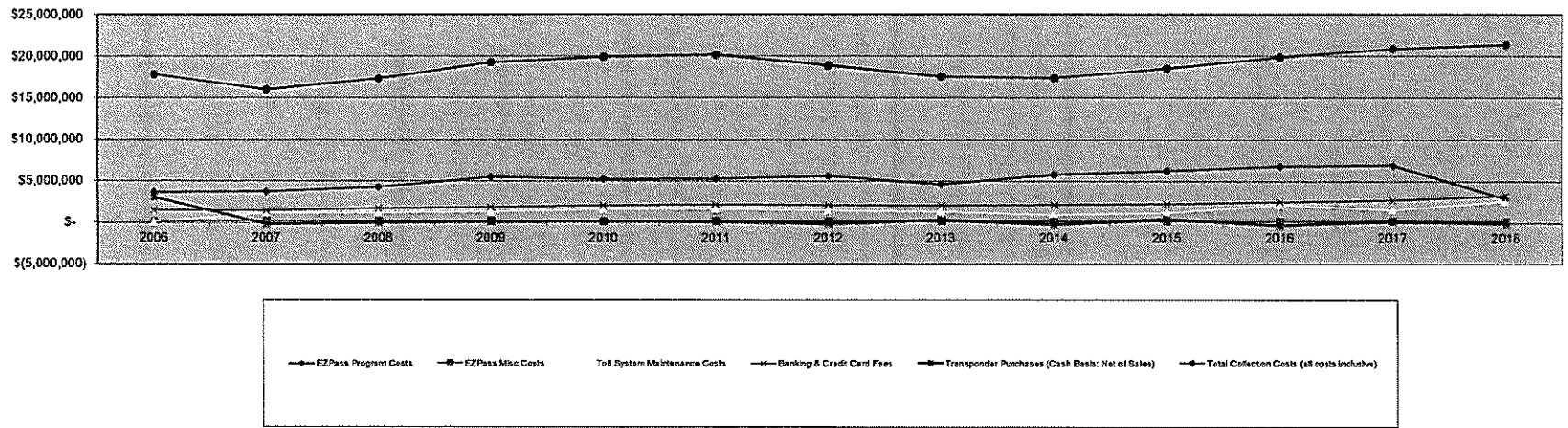
Note 1: EZPass begins July 2005. Transponders sold at a 79% discount until 8/3/2005

Note 2: FY 2007 TRMI Maintenance Contract begins (previously under warranty)

Note 3: 10/22/2007 System-wide toll increase resulted in higher credit card fees.

Note 4: 7/1/2009 Hampton toll increase resulted in higher credit card fees.

Actual Toll Collection Costs 2006-2018 (Cash Basis)



GAAP BASIS (Audited) As of 01/02/2019

Total Transactions	EZPass Transactions			Cash Transactions		
	Mkt Share	Transactions	Plaza/System *	Mkt Share	Transactions	Plaza/System *
28,348,181	74.77%	21,195,935	22.26%	25.23%	7,152,246	26.57%
3,124,056	73.07%	2,282,748	2.40%	26.93%	841,308	3.13%
17,826,453	77.73%	13,856,502	14.55%	22.27%	3,969,951	14.75%
2,720,756	80.39%	2,187,217	2.30%	19.61%	533,541	1.98%
3,234,758	82.33%	2,663,176	2.80%	17.67%	571,582	2.12%
-	-	-	0.00%	100.00%	-	0.00%
66,264,206	-	42,185,578	44.30%	-	13,068,628	48.56%
25,593,540	80.15%	20,505,207	21.53%	19.85%	5,078,333	18.87%
15,486,633	79.34%	12,287,095	12.90%	20.66%	3,199,536	11.89%
41,070,173	-	32,792,302	34.44%	-	8,277,871	30.76%
15,299,683	79.10%	12,102,049	12.71%	20.90%	3,197,634	11.88%
10,521,161	77.43%	8,146,535	8.55%	22.57%	2,374,626	8.82%
25,820,844	-	20,248,684	21.26%	-	5,572,260	20.70%
122,145,223	-	95,226,464	-	-	28,918,759	-

* Plaza Transactions/System Transactions used to allocated EZPass and Banking Costs below

Does not include Consultants Back Office System Design)

\$	2,122,456		
\$	6,302,799		
\$	3,016,009		
	102,460		
	11,543,724		
Membership, EZPass related bank fees (BOA)			
	EZPass Cost	EZPass	EZPass Cost/
	By Plaza *	Transactions	Transaction
\$	2,569,454	21,195,935	\$ 0.121
\$	276,724	2,282,748	\$ 0.121
\$	1,679,739	13,856,502	\$ 0.121
\$	285,143	2,187,217	\$ 0.121
\$	322,841	2,663,176	\$ 0.121
\$	-	-	\$ -
\$	5,113,901	42,185,578	\$ 0.121
\$	2,485,721	20,505,207	\$ 0.121
\$	1,489,490	12,287,095	\$ 0.121
\$	3,976,211	32,792,302	\$ 0.121
\$	1,467,058	12,102,049	\$ 0.121
\$	987,555	8,146,535	\$ 0.121
\$	2,454,512	20,248,684	\$ 0.121
\$	11,543,724	95,226,464	\$ 0.121

Banking Costs	Toll Processing		Cash	Cash Cost/
Operating Costs **	Banking	Total Cost	Transactions	Transaction
Cost by Plaza *	Cost by Plaza *			

New Hampshire System Wide Vehicle Miles Traveled (VMT)

Calendar Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
VMT	13,459,000	13,040,000	12,975,000	13,065,000	12,720,000	12,894,000	12,903,000	12,970,000	13,094,000	13,513,000	13,681,000
% Increase/Decrease	888.61%	-3.11%	-0.50%	0.69%	-2.64%	1.37%	0.07%	0.52%	0.96%	3.20%	1.24%
Increase in VMT CY09 - CY17											5.44%

Vehicle Miles Traveled (VMT) reported in thousands

New Hampshire Turnpike System Vehicle Transactions

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vehicle Transactions	115,457,650	113,186,722	107,653,153	108,336,076	108,723,856	108,718,537	108,243,082	111,478,914	112,301,383	118,353,633	120,173,403
% Increase/Decrease	0.78%	-1.97%	-4.89%	0.63%	0.36%	0.00%	-0.44%	2.99%	0.74%	5.39%	1.54%
Increase in transactions CY09 - CY17											11.63%



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



Victoria F. Sheehan
Commissioner

William Cass, P.E.
Assistant Commissioner

January 22, 2019

The Honorable John Cloutier, Chairman
House Public Works & Highways Committee
Room 201
Legislative Office Building
Concord, NH 03301

HB 515 [b]

Re: House Bill 515

Dear Chairman Cloutier and Members of the Committee:

The New Hampshire Department of Transportation does not take a position regarding HB 515, which proposes to evaluate the cost-effectiveness of toll collection on the New Hampshire turnpike system. However, the Department questions the goals of the bill given the title and the need for a commission to study the unintended consequences of tolling.

Toll collection costs on the Turnpike System are among the lowest in the country. In 2011, the Turnpike Bureau commissioned a study completed by Arthur D. Little, to evaluate the toll collection operation and accordingly to their research, identified that the New Hampshire Turnpike System had the second lowest cost per transaction in the country. The Florida Turnpike operation had the lowest. The study suggested several operational improvements that the Turnpike Bureau has implemented, which has further reduced cost of toll collection from a system wide 18.3 cents per transaction to the current 16.0 cents per transaction.

As the Committee is aware, the Turnpike System is a Bureau within the Division of Operations within the Department of Transportation. It consists of 3 Turnpikes (F.E. Everett Turnpike, I-95/Blue Star Turnpike and Spaulding Turnpike), 89 miles in length and is an enterprise system, funded primarily with toll revenue. The toll revenue pays for the operation and maintenance costs associated with the system, debt service on outstanding bonds used to build the system, renewal and replacement (R&R) costs to keep the system in good working order, and capital costs associated with turnpike construction projects (i.e. Manchester Exit 4 Millyard Bridges Replacement project, Rochester Spaulding Turnpike Expansion project, Newington-Dover Spaulding Turnpike/Little Bay Bridge Improvement project). Presently, there are several major Turnpike projects in the approved Ten Year Plan (i.e. Nashua- Bedford FEET widening, Manchester Exit 6 & Exit 7 Improvements, Bow-Concord I-93 Improvements), which are proposed to be funded with turnpike revenue. Also, since the turnpike system is a "user based system", all the revenue generated on the system by statute and bond covenants must be used on the system, and not "be diverted to any other purpose whatsoever".

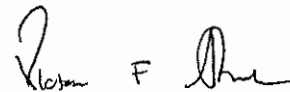
Over the last decade, the turnpike system has matured with sound and effective financial management to be very efficient in terms of executing a robust capital program, completing R&R work, and reducing operational expenses to deliver a system that efficiently moves traffic while collecting tolls (i.e. Open Road Tolling & E-ZPass), that has 99% of its roads in good or fair condition and just 5 red list bridges (out of 172 turnpike owned bridges) with each red list bridge identified to be addressed as part of the Turnpike Capital Program that is included in the Ten Year Plan. The above is enjoyed with favorable ratings from the credit rating agencies. Moody's provided a credit opinion in October 2017 maintaining its A1 bond rating with stable outlook. S&P provided a credit rating in November 2017 affirming its A+ rating with stable outlook. Fitch provided their rating in April 2018 affirming their A+ rating with stable outlook.

With regard to unintended consequences, the Turnpike System is a valuable and integral component of the state's transportation system and has contributed to health and development of the state's economy in the southeastern part of the state. It has also been a major factor in the growth of the tourist industry within the state, as I-95, FEET, and I-93 are major corridors feeding the tourist centers of the state. The bill speaks to traffic congestion on other roads caused by toll avoidance. Over the last ten years, the Turnpike system has seen its transactions increase by 11.6% or more than double the statewide vehicle miles traveled, which has seen an increase of 5.4% over the same period. With the growth of E-ZPass and open road tolling, as well as the value of safe, reliable travel on the Turnpike network, the Turnpike system has seen higher traffic growth than the rest of the system and less diversion and toll avoidance.

The Department agrees there are unintended consequences with any Turnpike or highway type of facility; however, we believe the Turnpikes have provided capacity to support economic growth and any impact on the secondary roadway network is a function of the economic development along those facilities rather than toll diversion.

The Department will gladly participate in the study commission to further expound on the aforementioned; however questions the need for a commission to study the unintended consequences of tolling.

Sincerely,



Victoria F. Sheehan
Commissioner

Attachments: A.D. Little Study Executive Summary excerpt
NH Turnpike Toll Collection Costs
FY18 Toll Collection Cost per Transaction
NH VMT vs Turnpike Transactions

**Bill as
Introduced**

HB 515 - AS INTRODUCED

2019 SESSION

19-0230
06/10

HOUSE BILL

515

AN ACT

establishing a commission to evaluate the cost-effectiveness of toll collection on the New Hampshire turnpike system.

SPONSORS:

Rep. Abramson, Rock. 20; Rep. Baldasaro, Rock. 5

COMMITTEE:

Public Works and Highways

ANALYSIS

This bill establishes a commission to evaluate whether the collection of tolls on the turnpike system is cost effective.

Explanation:

Matter added to current law appears in *bold italics*.

Matter removed from current law appears [~~in brackets and struck through.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT establishing a commission to evaluate the cost-effectiveness of toll collection on the New Hampshire turnpike system.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Section; Turnpike System; Electronic Toll Collection; Commission Established. Amend
2 RSA 237 by inserting after section 16-g the following new section:

3 237:16-h Commission Established.

4 I. There is established a commission to evaluate the cost-effectiveness of toll collection on
5 the New Hampshire turnpike system.

6 II. The members of the commission shall be as follows:

7 (a) Four members of the house of representatives, 2 of whom shall be appointed by the
8 majority leader of the house of representatives, and 2 of whom shall be appointed by the minority
9 leader of the house of representatives.

10 (b) Two members of the senate, one of whom shall be appointed by the majority leader
11 of the senate and one of whom shall be appointed by the minority leader of the senate.

12 (c) The commissioner of the department of transportation, or designee.

13 (d) Three members of the public, one representing the road construction industry, one
14 representing the tourism industry, and one representing the retail industry, appointed by the
15 governor.

16 III. Legislative members of the commission shall receive mileage at the legislative rate
17 when attending to the duties of the commission.

18 IV. The commission shall evaluate the cost effectiveness of tolls on the turnpike system by
19 considering unintended costs, including, but not limited to: traffic congestion on other roads caused
20 by toll avoidance; loss of commercial property tax revenue from land taken by the state for widening
21 the turnpike system; reduced retail sales in towns and cities in the vicinity of toll booths; lost
22 revenue from the business enterprise tax, the business profits tax, and the tax on meals and rooms;
23 reduced residential property tax revenue due to reduced quality of life; increased wear and tear on
24 private, commercial, state, and municipal vehicles due to increased traffic congestion; car accidents
25 and police response at the tolls; the need for state police to stand by at the toll booths; and the
26 interest rate on bonds for the turnpike system.

27 V. The members of the commission shall elect a chairperson from among the members. The
28 first meeting of the commission shall be called by the first-named house member. The first meeting
29 of the commission shall be held within 45 days of the effective date of this section. Six members of
30 the commission shall constitute a quorum.

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1 VI. The commission shall report its findings and any recommendations for proposed
2 legislation to the speaker of the house of representatives, the president of the senate, the house
3 clerk, the senate clerk, the governor, and the state library on or before November 1, 2019.

4 2 Repeal. RSA 237:16-h, relative to commission to evaluate the cost effectiveness of toll
5 collection on the turnpike system, is repealed.

6 3 Effective Date.

7 I. Section 2 of this act shall take effect November 1, 2019.

8 II. The remainder of this act shall take effect upon its passage.