

Civil Penalty Process For Toll Violations

Craig Stone
Assistant Secretary
Toll Division

Paula Hammond
Secretary of Transportation

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**Washington State
Department of Transportation**

Summary:

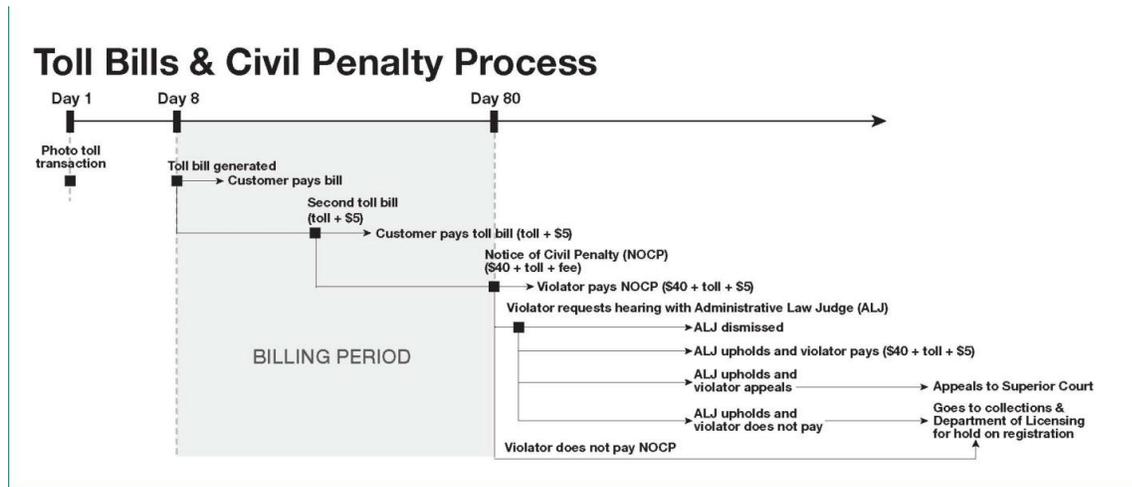
The attached report is for the period July - September 2012 and addresses requirements in Section 209 (2) of Chapter 367, Laws of 2011 (ESHB 1175) regarding the civil penalty process for toll violations on toll facilities of the Washington State Department of Transportation.

As of August the Department has the ability to place registration holds for those owners who have failed to pay their NOCPs. The Department is currently working with the state's collections contractor to implement the collections program.

The first notices of civil penalty (NOCP) were issued on April 09, 2012. As of September 30, 2012, 222,300 NOCP transactions have been mailed. More than 27,500 NOCP transactions were paid without an administrative hearing and more than 24,000 NOCP transactions were adjudicated. A majority of NOCP recipients did not respond by paying or requesting a hearing prior to the due date. These NOCP transactions will be eligible for vehicle registration holds with the Department of Licensing (DOL) and/or collection efforts by an outside collection agency.

The NOCP Process:

WAC 468-305-500 through 582 contains provisions related to the civil penalty process, which are consistent with RCW 46.63.160. In accordance with the rules, the Department will send an NOCP to the registered owner or renter of the vehicle who has not paid a toll within 80 days.



Project Status:

Photo tolling began in December 2011. As a result, the Department issued its first NOCPs in April 2012 and held the first hearings in May 2012. In early September, 2012 the Department began sending eligible unpaid NOCP summaries to the DOL for the placement of registration holds for transactions occurring in December 2012. The Department and back office vendor, ETCC, continue to work on the design and programming of the Collection Agency system modules, which should be complete and ready for implementation in mid-2013. The implementation of the Collection Agency process will allow the Department the opportunity to contact and collect unpaid NOCP transactions from customers that did not pay their debt or take advantage of the Administrative Hearing process.

As with all new processes and procedures the Department has begun a program to review the NOCP and Adjudication Standard Operational Procedures, Business Rules, hearing scheduling and overall performance of the Adjudication system to determine where efficiencies can be implemented to reduce cost and improve customer service.

As a result of this program audit several items have been identified that would reduce cost and make the process more efficient. The cost savings measure below has been approved and will be implemented in early December 2012;

Creation of a comprehensive evidence package prior to every hearing: A time study was conducted on preparing evidence packages in advance of each hearing. This will allow the Department to present the best possible case by providing all relevant evidence including *Good To Go!* account and payment information, to the Hearing Officers. This is necessary to make a fair and unbiased decision regarding liability of the disputed NOCP. Additionally, supplying complete comprehensive evidence packages prior to each hearing will give the Hearing Officer the ability to conduct efficient hearings by reducing the number of times a hearing will need to be continued due to lack of evidence or requiring the hearing to be temporally interrupted so the plaintiff can obtain account or payment information from the Customer Service Center (CSC). This activity could also assist the CSC in properly staffing the Toll Enforcement Office and reduce interruptions in the daily work flow.

Reporting of NOCP Program Statistics:

Table 1 indicates NOCP and hearing volumes, workload cost and revenue for the fourth quarter of Fiscal Year 2012 for the Tacoma Narrows and SR-520 Bridges.

Civil Penalty Process for Toll Violations July- September

	TNB	SR-520 Bridge
Number of civil penalties transactions issued ¹	21,005	84,760
Number of civil penalty transactions paid upon receipt of the NOCP	889	9,771
Number of civil penalty transactions adjudicated via a written dispute in lieu of hearing	862	3,812
Number of civil penalty transactions adjudicated via an in-person hearing	841	5,516
Number of civil penalty transactions which did not receive a response	18,412	65,660
Workload costs related to adjudicated transactions ²	\$106,809.	\$405,087.
Cost and effectiveness of debt Collection activities ³	N/A	N/A
Cash received related to \$40 civil penalty fee ^{4,5}	\$91,646.	\$1,024,902.

*1.) Civil Penalty Transaction data is queried from the ETCC database. The data is pulled at least 23 days after the NOCP transaction date in order to allow each recipient time to pay or request a hearing prior to the NOCP due date.

*2.) Workload costs represent the total costs charged to each toll facility in relation to the civil penalty program during this reporting period.

*3.) Debt Collection activities are anticipated to begin in two phases; DOL Hold (Sept 2012) and Collections (2013)

*4.) Revenues reported here represent cash received from NOCP penalty payments only. They do not include any toll or reprocessing fee cash collected. Amounts are rounded to the nearest whole \$40 increment.

*5.) Financial statements report total revenues earned after NOCP recipient has been found "liable" through an administrative hearing or deemed "liable" for not responding to the notice by the due date (20 days). This differs from the amount of cash collected which is presented here. The booked receivables for TNB and SR-520 Bridge are \$2,663,255.00 and \$703,464.00 respectively for the period.