

**Department of Legislative Services**  
Maryland General Assembly  
2021 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 435

(Senator King)

Judicial Proceedings

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**Vehicle Laws - Failure to Pay Video Toll - Penalties**

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This bill repeals the authority of the Motor Vehicle Administration (MVA) to suspend the registration of a motor vehicle because the registered owner of the vehicle incurred a toll violation and failed to pay the toll and any associated civil penalties. **The bill takes effect June 1, 2021.**

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**Fiscal Summary**

**State Effect:** Nonbudgeted revenues for the Maryland Transportation Authority (MDTA) decrease to the extent fewer tolls and penalties are collected under the bill. Special fund revenues and expenditures for the Central Collection Unit (CCU) increase to the extent that additional toll and civil penalty debt is referred to and collected by CCU. General fund revenues may increase due to reversions from CCU.

**Local Effect:** The bill does not directly affect local governmental operations or finances.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:**

*Video Tolling and Toll Violations at Maryland Transportation Authority Facilities*

A motor vehicle incurs a video toll when the vehicle passes through an MDTA toll facility (such as the Chesapeake Bay Bridge or Intercounty Connector) but does not pay the toll using cash or an E-ZPass. MDTA is required to send the registered owner of a

motor vehicle that has incurred a video toll a notice of toll due. The owner then has 30 days to pay the toll amount. An owner who fails to pay the amount due is subject to a civil citation and civil penalty. The civil penalty amount is set by regulation and is currently \$25. (MDTA reduced the civil penalty amount from \$50 to \$25 effective July 1, 2020.)

A person who receives an MDTA citation for failure to pay a toll (a toll violation) must either pay the toll and penalty in the allotted timeframe or elect to go to court. If a person fails to elect to stand trial or pay the prescribed video toll and civil penalty, is adjudicated to be liable after trial, or fails to appear at a trial after having elected to stand trial, MDTA may (1) collect the video toll and the civil penalty by any means of collection as provided by law and (2) notify MVA. MDTA may waive any portion of a video toll due or civil penalty assessed for a toll violation until the debt is referred to CCU.

### *Suspension of Vehicle Registration*

MVA must refuse to renew or suspend the registration of any motor vehicle incurring an electronic toll violation if notified by (1) MDTA that a registered owner has been served with a citation and has failed to pay a toll and civil penalty for the toll violation or has failed to contest liability for the toll violation within the time or in the manner specified in the citation or (2) MDTA or the District Court that a person who elected to contest liability for a toll violation failed to appear for trial or was found guilty of the toll violation and failed to pay the toll and penalty costs.

MDTA advises that in practice, it flags a registration for nonrenewal when the vehicle's license plate has one outstanding transaction or less than \$1,000 in unpaid tolls and penalties and that it flags a registration for suspension when the vehicle's license plate has \$1,000 or more in unpaid tolls and penalties.

MVA's authority to flag and/or suspend vehicle registrations is used by multiple State and local agencies to collect outstanding fees and fines (such as for certain parking violations) and to enforce vehicle laws (such as the requirement to purchase and maintain automobile insurance). However, Chapters 39 and 40 of 2020 repealed MVA's authority to suspend vehicle registrations for failure to pay the penalties associated with red light cameras and speed cameras.

### **State Fiscal Effect:**

#### *Maryland Transportation Authority*

The bill's repeal of MVA's authority to suspend a vehicle registration when the vehicle owner incurs a toll violation and does not pay the toll and associated civil penalty may result in fewer of those tolls and penalties being collected overall, specifically from toll violators that have amassed significant amounts of unpaid tolls and penalties. Therefore,

nonbudgeted revenues decrease to the extent that the bill results in fewer outstanding tolls and penalties being collected. Even so, MDTA has other means of enforcement (such as registration nonrenewal and referral to CCU) and the extent to which the loss of this enforcement tool affects MDTA's total collections is unclear.

*For illustrative purposes only*, MDTA advises that since the motor vehicle suspension program began in 2015, it has resolved nearly 1.3 million unpaid transactions by issuing suspension warning letters and flagging vehicle registrations, collecting a total of \$30 million in unpaid tolls and penalties.

#### *Central Collection Unit*

MDTA is required to send its delinquent toll and penalty debt to CCU for collection and, therefore, CCU is likely to be referred additional debts by MDTA depending on the bill's effect on its collection rate. In addition, CCU recovers its operating expenses by assessing and collecting a 17% fee in addition to and for the debts that it is assigned. Therefore, special fund expenditures increase for CCU to send notices and work to collect the additional debt, and special fund revenues increase correspondingly as the debt is collected; however, the magnitude of any such impact cannot be reliably estimated at this time.

Furthermore, any special fund balance for CCU in excess of 15% of the unit's actual operating expenses reverts to the general fund. Therefore, general fund revenues may increase as additional debt is collected; however, the magnitude of any such impact cannot be reliably estimated at this time.

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### **Additional Information**

**Prior Introductions:** HB 38 of 2020, as amended, passed the House and was referred to the Senate Judicial Proceedings Committee, but no further action was taken.

**Designated Cross File:** HB 346 (Delegate Carr) - Environment and Transportation.

**Information Source(s):** Maryland Department of Transportation; Judiciary (Administrative Office of the Courts); Department of Legislative Services

**Fiscal Note History:** First Reader - January 26, 2021  
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