Finance 2/1/2017



SB0139 - Senator Manno

Maryland Transportation Authority - Video Tolls - Collection

Total Panels: 4 Total FAV: 11 Total FWA: 1 Total UNF: 0 Total INFO: 1 Total Witnesses: 13

2/1/2017 2:00 PM

Individual			Panel - Public			Panel - Bill Sponsor				Panel - Bill Sponsor	Panel - Bill Sponsor	Type
FWA	FAV	FAV	FAV	FAV	FAV	FAV	FAV	FAV	FAV	FAV	FAV	Position Testify
Both	Both /	Both	Both	Both	Both	Both	Both	Both	Both	Both	Oral	Testify
LOUIS CAMPION	Robin McKinney	Tammy Bresnahan	Jen Diamond	John F. McNamara	Gary Dorr	David Buchanan	Judy Goldstein	Stephanie Grogoza	Kenneth Nelson	Deborah Nelson	Senator Manno	Name
MD MOTOR TRUCK ASSN.	Maryland CASH Campaign	AARP	Maryland Consumer Rights Coalition	Private citizen, taxpayer		Organization						
Does not wan				District 19		Address						
H-16-14-51-14												Phone
												Email

Finance 2/1/2017



SB0139 - Senator Manno

Maryland Transportation Authority - Video Tolls - Collection

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	Written	Testify
	Barbara Wilkins	Name
Budget and Management	Department of	Organization
		Address
	410.260.6371	Phone
		Email

Sponsor Panel:

Senator Manno

Judy Goldstein

Deborah Liverpool Nelson

Kenneth Nelson

Stephanie Grogoza

Panel 2

Jen Diamond – Maryland Consumer Rights Coalition

Robin McKinney – MD CASH Campaign

Tammy Bresnahan- AARP

Gary Dorr

David Buchanan

John F McNamara

Alan J. McCarthy
County Executive

Alfred C. Wein, Jr.
Director of Administration

Office: 410.996.5202

Email: amccarthy@ccgov.org



Joyce Bowlsbey
Council President

Dan Schneckenburger Vice President

Office: 410.996.5201 Email: council@ccgov.org

CECIL COUNTY GOVERNMENT

Cecil County Administration Building 200 Chesapeake Boulevard, Elkton, MD 21921

February 28, 2017

The Hon. Thomas M. Middleton, Chair Finance Committee 3 East Miller Senate Building Annapolis, MD 21401

RE: Letter of Support

SB 139 Maryland Transportation Authority - Video Tolls - Collections

Dear Chairman Middleton:

The County Executive and County Council of Cecil County support SB 139 Maryland Transportation Authority - Video Tolls - Collections

Video tolls will have a large impact on Cecil County residents and visitors at the Hatem Bridge and Tydings Bridge. Many of our residents will be affected by the video tolling as they travel across the Susquehanna River for their job, medical services, retail outlets and recreational purposes. Cecil County drivers already receive notices from MDTA that their EZ Pass was not accepted. Disputes over these violations take time and effort. On many occasions, MDTA refuses to forgive the fines. With video tolling and the closing of MDTA office in Perryville, residents will find it even more difficult to dispute an alleged violation. There is also anecdotal evidence that some drivers receive very large fines, which they were not aware of. Drivers also resent an administrative fee that is assessed by MDTA that is greater than the actual toll amount.

For these reasons, the public would be better served if MDTA was responsible to speak directly with the vehicle owner when their outstanding video tolls exceed \$250. In addition, we support that the administrative fee to be no more than 25% of the original toll and that violators will not be turned over to central collection services.

The County Executive and County Council of Cecil County respectfully request that the Finance Committee support SB 139.

Sincerely;

Alan J. McCarthy

Cecil County Executive

Council President

Jawlshey

ROGER MANNO
Legislative District 19
Montgomery County

MAJORITY WHIP



James Senate Office Building 11 Bladen Street, Room 102 Annapolis, Maryland 21401 410-841-3151 · 301-858-3151 800-492-7122 Ext. 3151 Roger.Manno@senate.state.md.us

THE SENATE OF MARYLAND Annapolis, Maryland 21401

SB 139 – MARYLAND TRANSPORTATION AUTHORITY – VIDEO TOLLS – COLLECTION

February 1, 2017

Sponsor Testimony

Chair Middleton, Vice Chair Astle, and Senate Finance Committee members:

Thank you for the opportunity to present Senate Bill 139 – Maryland Transportation Authority – Video Tolls – Collection. The purpose of this bill is to reduce the amount of a civil penalty for an unpaid video toll to 25% of the original toll amount, thereby greatly reducing the possibility of a registered vehicle owner going into thousands of dollars in debt for a \$1 toll. This bill also prohibits the Maryland Transportation Authority (MDTA) from sending an account to the Maryland Central Collections Unit.

During the past year, legislators across the state have received hundreds of constituent cases from registered vehicle owners who owed thousands of dollars to the MDTA for past-due tolls, compounded by \$50 civil penalties for each video toll transaction. Many of these motorists received notices of penalties totaling more than \$2,000, \$5,000, and \$10,000 – not including the original toll amount – with the entire debt heading into collection. Whether or not these registered vehicle owners had a transponder on their dashboard, the myriad of problems that they encountered with the MDTA steered them toward a path of accruing civil penalties and exorbitant debt: late bill notices in the mail, lost checks, and inconsistent and confusing customer service.

The Maryland Transportation Authority's policy of charging registered vehicle owners \$50 for every unpaid toll is devastating for our constituents who are simply using the fastest route to get to work, school, medical appointments or church. A \$50 civil penalty for an off-peak, minimum toll of 40 cents, or a \$50 penalty on a maximum toll of \$3.86 for a two-axle car during peak hours on the Intercounty Connector is not proportional or fair to hardworking, middle class families.

In fiscal year 2016, more than 1.8 million E-ZPass transactions have been referred to Maryland Central Collections Unit, according to the Maryland Transportation Authority. No one should go into tens of thousands of dollars in debt for an unpaid 40 cent toll, risking their financial security and credit. For the reasons mentioned above, I respectfully request a favorable report on Senate Bill 139.



SB 139 - Maryland Transportation Authority - Video Tolls - Collection Finance Committee

Chairman Middleton, Vice-Chair and members of the committee, thank you for the opportunity to testify today in support of Senate Bill 139. This bill will allow toll users to be better aware of their account balances to prevent them from accruing high debts associated with E-ZPass usage.

Maryland CASH Campaign promotes programs, products, and policies that increase the financial security of low-income individuals and families. Maryland CASH and its partners work to ensure that all eligible Maryland residents know about the EITC, access free tax preparation services, and are connected to opportunities to build a strong financial future. From our work, we have developed an interest in protecting consumers who are subject to unfair collection practices.

Under current policy, some Marylanders with E-ZPass accounts are accruing high debts due to accidental non-payment. These are individuals who have E-ZPass transponders, but do not own a credit card, or do not have automatic replenishment of their account. In fact, 28% of E-ZPass accounts in Maryland do not use automatic credit card replenishment. Unfortunately, there is no notification system that informs toll users that their account is low when they use a road without a toll booth (ex: Intercounty Connector). As a result, many use tolls while unaware that their E-ZPass account is empty, causing them to accrue major debts without their knowledge.

As a result of this lack of transparency, 340,000 Marylanders have been referred to central collection, 162,000 have been sent to MVA for non-renewal of their registration, and nearly 16,000 have had their tags suspended.

Senate Bill 139 addresses this issue by:

1. Improving notification of low balances.

Consumers need timely, accurate notifications that they have a low balance. This cannot just be an online function, since not everyone has access to the internet. Notifications could be by text message, automated phone call, or mail.

2. Promoting different violations based on account status.

Violations due to low balances should be treated differently than violations due to not having a device, especially those users not attached to a credit card. These users should have time to make their account current without incurring the violation.

3. Protecting vulnerable users

An early warning program with MDTA is necessary to respond to individuals who are frequent violators. MDTA should have an amnesty policy and longer timeframes before violations are turned over to collections for older adults and individuals in vulnerable populations.

Individuals who have E-ZPass accounts that are not linked to a credit card are vulnerable to incurring high debts due to accidental toll violations. These individuals are not intentionally abusing the system, and should not be treated as such. This policy gives these folks the opportunity to avoid toll violations, or address them in a timely manner, preventing accrual of unmanageable debt.

We encourage you a favorable report of Senate Bill 139.



Testimony to the Senate Finance Committee SB139: Maryland Transportation Authority - Video Tolls - Collection

February 1, 2017

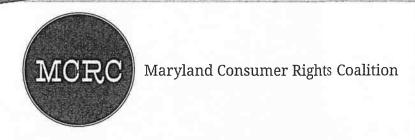
Senate Finance Committee 3 East Miller Senate Office Building Annapolis, MD 21401 Cc: Members, Senate Finance

Honorable Chair Middleton and Members of the Committee:

My name is Robyn Dorsey and I am the Program Manager for the Maryland Consumer Rights Coalition (MCRC). MCRC is a statewide coalition of individuals and organizations that advances fairness and justice for Maryland consumers through research, education, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

In 2013, in pursuit of the worthy goal of addressing unpaid tolls, the General Assembly passed a law which created a collections structure for unpaid EZ pass tolls. Maryland's infrastructure funding mechanism is, in part, based on drivers supporting highway maintenance through modest, usage-based tolls. Early in his administration, Governor Hogan addressed what he considered to be the high cost of tolls in Maryland.

However, the law passed under the prior Administration in 2013 led to a classic example of uninteresting to 2013 led to a classic example of the control of uninte ded consequences. The fine for failing to pay a \$3 toll is \$50 – nearly 17 times the cost of the original toll. If unpaid, the now \$53 fine is referred to the Central Collections Unit where it begins to accrue interest. A \$3 fine can quickly snowball to cost an uninformed driver their vehicle. vehicle cost an unimornica driver the sistration, tens of thousands of dollars – and possibly everything they own. We've heard how and the file for handring in order to address a few unpaid is heard ho gistration, tens of thousands of dollars — and possibly everything they own. We we pass tolls — For stories of clients forced to file for bankruptcy in order to address a few unpaid EZ pass tolls



The scope of this problem is staggering. In FY2016, as a result of a small toll left unpaid, 12,235 vehicle registrations were suspended; the MVA flagged 114,839 vehicle registrations for non-renewal, 339,891 people were referred to the Central Collections Unit for a whopping 1.8 million failed EZ pass transactions.

This common sense, bipartisan bill addresses the unintended consequences of the 2013 law by readjusting the fine for failure to pay an EZ pass fine to no more than 25% of the original toll and by prohibiting the MVA from referring the matter to the CCU where compounding interest incentivizes predatory actions by the State.

The Maryland Consumer Rights Coalition applauds Senators Manno and the co-sponsors for leading this bipartisan effort to address this destructive and detrimental approach to paying for our highways, and we strongly support SB139 and urge a favorable report.

Best,

Robyn Dorsey Program Manager Maryland Consumer Rights Coalition



200 St. Paul Place, #2510 | Baltimore, MD 21202 1-866-542-8163 | Fax: 410-895-0269 | TTY: 1-877-434-7598 aarp.org/md | mdaarp@aarp.org | twitter: @aarpmd facebook.com/aarpmd

Bill Number:

Senate Bill 139

Maryland Transportation Authority - Video Tolls - Collection

Committee:

Senate Finance Committee

Sponsor:

Senator Manno

Date:

February 1st, 2017

Good Afternoon Chairman Middleton and Members of the Senate Finance Committee. I am Tammy Bresnahan. I am the Director of Advocacy for AARP MD. AARP MD supports SB 139 Maryland Transportation Authority - Video Tolls - Collection.

This bill as amended sets the civil penalty for failure to pay a video toll to 25% of the video toll amount (current regulations set the penalty at \$50); (2) repeals MDTA's authority to waive any portion of a video toll due or civil penalty assessed before it refers the debt to the Central Collection Unit (CCU), and (3) prohibits MDTA from referring any video toll to CCU.

Variably priced lanes like the Inter County Connector pose difficulties for many older and lower-income Marylanders when payment systems require a substantial cash outlay or a checking or credit card account for automatic debits. The regressive nature of a variably priced facility can be reduced by channeling a portion of the revenue toward improved transit service in the corridor and by offering payment systems that do not penalize. Variably priced lanes are regressive when poorer/fixed income households cannot avoid paying the toll, either by using parallel traffic lanes or competitive transit options or not understanding that because there is not a toll booth, there may be a cost including fees and fines.

Older adults need transportation, information and outreach so they may get to the places and services that support their independence. As they strive to make effective transportation investments, federal, state, and local policymakers must take into account older adults' transportation needs, including travel on foot or bicycle and by car, bus, train, plane, and, in some areas, boat.

AARP is working hard to ensure that Marylanders can age in place and the need for transportation options is crucial for older Marylanders. For these reasons AARP respectfully request a favorable report on SB 139. For questions or additional information, please feel free to contact Tammy Bresnahan, Director of Advocacy at tbresnahan@aarp.org or by calling 410-302-8451

Senate Bill 139 - Maryland Transportation Authority - Video Tolls - Collection

Chair Middleton and Senate Finance Committee:

I am here to support Senate Bill 139, and I represent one of many people from my community who have paid hefty civil penalties because of a malfunctioning EZ-Pass and/or an expired credit card.

Expediency is required when resolving compounding civil penalties. The malfunctioning EZ-Pass was the first snowball. The problem was not one I became aware of until civil penalties had accrued.

The Inter-County Connector, unlike other toll roads, does not have the ability to see a low or no toll balance. By the time your statement arrives, your balance has changed.

The second problem was an expired credit card, and I needed to find which card was on file and give the correct information. The delay caused fines to accrue.

An example:

I owed \$34.11 (for 17 tolls all less than \$3.00) by June 15. If I did not pay by June 15, the amount due was \$884.11. Because a fine of \$50 per toll (17 x \$50.00 = \$850.00) Due to MTDA was \$884.11.

Many of my neighbors and I are advocating for changes such as the following:

- Reduce the amount of per transaction fee civil penalty, which is onerous as a payday loan interest
- Using available media like text, email, robocalled, voice mail for notification.
- Establish a reasonable time to respond.
- Allow customers to pay by billing (mail or electronically send a billing statement).
- Provide a frequent user rate for the ICC similar to Francis Scott Key and other tolls.
- Stop arbitrary auto-payment increases to credit card or checking, established by MDTA not the customer.

I am requesting, and looking forward to the Senate Finance Committee's support of Senate Bill 139.

Thank you for your service to our community.

Sincerely,

Debra Liverpool Silver Spring resident

Judith L. Goldfield 2724 Ashmont Terrace Silver Spring, Maryland 20906 (240) 286-7924

February 1, 2017

Senator Thomas Middleton, Chair Maryland Finance Committee Miller Senate Office Building, 3 East Wing 11 Bladen Street Annapolis, Maryland 21401

RE: SB 139 - Maryland Transportation Authority - Video Tolls - Collection

Dear Chair Middleton and Senate Finance Committee members:

I am writing today to testify as to my experience with the Maryland EZ Pass and Maryland Transportation Authority, and the Office of the Attorney General.

On September 15, 2016, my husband and I spoke with EZ Pass regarding the balance due on his account with them. We spoke with a nice person, Nicole. She took my husband's balance of \$20,537 down to a total of \$2,210 for payment to be paid by the end of the following week. Nicole informed us that the discount would be put into the system and that her supervisor had approved of the discount being offered, and that any other person at EZ Pass could assist us with the payment. Unfortunately, before we were unable to conclude the conversation, our home telephone battery died. I called back immediately on my cell phone over 5 consecutive times and was told that they are in a call center and that they were unable to connect me with a person named Nicole.

When I did call back, I explained that I needed the balance owed in writing in order for my husband's employer to release the funds for payment. I was told there were no notes in the system and that he owed \$20,837, which was an increase of \$300. I was also informed that Nicole did not have the authority to offer us that reduction.

I called again the following week and was told that they do not provide any type of written statement and that I should log into his account on EZ Pass to obtain the outstanding invoices. Then we were offered \$1,479 and we still needed to speak with Maryland Central Collections Unit to make payment arrangements on the remaining balance. I asked for the information for a wire transfer and was told that was not an acceptable form of payment. I was told the payment needed to be mailed to a P.O. Box and we had to wait for the payment to clear. No Help.

The next week my husband and I left our jobs early in order to call the Maryland Central Collections Unit and we were informed that his account had been moved over to the Office of the Attorney General. Their response to us was that a supervisor call us back between 24-48 hours! I was told at the Office of the Attorney General that they do not have access to the EZ Pass system and could not work out any payment arrangements. The best they could offer was \$10,400 down and the rest to be paid within 30 days. The next response we received was a lawsuit in the amount of \$17,803.06.

Throughout all of the back and forth since September 15, 2016, I was reduced to taking public transportation to work and my husband used my car to get to and from work. He is 65 years old and has

worked construction for the past 40 plus years. He needed his truck with his work tools in order to fulfill his job requirements on a daily basis.

It appears that the Maryland EZ Pass office, the Maryland Central Collections Unit and the Office of the Attorney General do not communicate with each other regarding account balances owed on the EZ Pass accounts. Every time we spoke with any of the three aforementioned offices, we received different answers. Most people cannot afford to pay \$50 every 6 weeks in fines for the passes. I believe that most middle class vehicle owners do not have a safe in their homes or a tree in their back yards to afford the extra \$50. We live paycheck to paycheck and it is hard to squeeze out gas money, let alone COMAR fees of \$50.00.

Since this initial time, we are happy to report that with the help of Senator Manno's office and WJLA TV-Seven on Your Side, we were able to have the cost reduced to \$2,113.83 (\$1,250 of which was the fines.) We have just received my husband's tags and registration renewal and he is back on the road again.

Thank you for your time and attention to this matter. I hope that my story will help inspire you to reduce these unobtainable fines, and show the residents of the State of Maryland that you are not out to make living in our state financially unreachable.

SB 139 - Maryland Transportation Authority - Video Tolls - Collection Finance Committee

Chairman Middleton, Vice-Chair and members of the committee, thank you for the opportunity to testify today in support of Senate Bill 139. This bill will allow toll users to be better aware of their account balances to prevent them from accruing high debts associated with E-ZPass usage.

Unfortunately, I cannot appear in person because of a prior commitment where I am making a presentation. Still, I feel strongly about current MDTA non-friendly consumer policies, which I believe Senate Bill 139 addresses. Therefore, please accept this brief written testimony.

My experiences with MDTA E-ZPass would make a good script for either a horror film or a case study for a psychological journal. I am a 73-year-old female who is retired and receiving Social Security and retirement funds. I have an E-ZPass account and a transponder. Because of frequent travel back and forth to Baltimore on the 200 Intercounty Connector for church services, conferences, etc., I have, at times, neglected to check the amount left in an account. After a short period of time, my usual procedure was to call in to the E-ZPass office and get/pay the amount due.

One morning, I was pulled over and given a \$150.00 ticket on I-95 at which time the officer informed me that my tags were suspended for toll violations. I was fortunate because he could have taken me to jail. I had no idea about what he spoke, but I drove home and parked my car until I could investigate this shocking news. After contacting the E-ZPass office, I was told that I had tolls from 2013-December, 2016. Disbelief set in! Then I was told that the tolls were approximately \$9,000.00. This time horror set in!! Where were all of the toll notifications? There were three accounts associated with my car tags, and toll statements were going to a former address (three years prior); the car dealership, and later to my current address. I received a deluge of toll violations over several weeks and months...so many that the postman couldn't get them into my mailbox. Some were duplicates; practically all had \$50.00 fees added to each toll violation. In addition, I had to pay for a rental car from July 31, 2016-January 7, 2017.

There have been too many "hair-pulling" experiences to mention; however, I think one which is worth pondering is the time I received a toll bill that was for \$161.00. There were three small toll violations, which totaled approximately \$11.00. When I called MDTA E-ZPass, I was told that the \$150.00 charge (\$50.00 per violation) would be removed. I immediately paid the \$11.00 bill by phone, and I received a corrected toll bill totaling zero. Upon placing another call on another toll matter, I was told by a supervisor that she put the \$150.00 back on that toll statement because their call agent had made an error. Yikes!

Fortunately, everyone working in the office was not like that supervisor. A non-relenting agent was determined to discover a solution to my dilemma. And she did! She quoted three pay-off amounts, which totaled \$1,334.98. While I had to get funds to pay this amount, it was better than the perpetual headaches I suffered daily. DMV released the toll flag on my tags on January 7 upon payment of a \$30.00 administrative fee.

Consumers should be notified in writing in a timely manner of tolls or other violations. Fees, if any, should be proportioned to the cost of the original violation. It is unreasonable to add a \$50.00 fee to a \$3.00 toll! This subjects users of toll roads to unfair practices and policies. I believe Senate Bill 139 addresses issues that will prevent other toll users from incurring these unfair policies that I experienced. Parenthetically, I no longer take toll roads in the state of Maryland. Perhaps I will again if SB 139 is viewed favorably and instituted.

Andrea H. Jackson

Senate Bill 139 - Maryland Transportation Authority - Video Tolls - Collection

Chair Middleton and Members of the Senate Finance Committee:

I don't have an EZ-Pass transponder because I only recently started using the Inter-County Connector (ICC). I use the road about once a month and I pay by check upon receipt of a bill from the Maryland Transportation Authority. In the past nine months I have had *four* "misapplied" payments that have taken months to sort out. There are two reasons for this:

1) Checks are applied to the oldest outstanding debt. How can that be if I pay bills immediately upon receipt? Because bills don't go out on time, I've received bills in May for trips recorded in January.

2) Checks are "lost" in the system, apparently applied to somebody else's account. It's up to me to provide the proof so MDTA can find and correct their error. And until I give them that proof...

Adding insult to injury, these misapplied payments generate past due notices, an exorbitant civil penalty of \$50.00 each, threats of referral to the Central Collection Unit and the attending referral and collection fees, and suspension of my vehicle's registration. Challenging the MDTA in court does not 'stay' the build-up of penalties. These tactics, especially those usurious penalties, are pure intimidation. Yes, everyone should pay what they owe, but this is no way to treat your citizens who in all likelihood are the victims of MDTA error. Is all this necessary for round-trip tolls of \$3.92?

Was it the General Assembly's intention to pay for the ICC with tolls, or with outrageous penalties? How often are these penalties the result of MDTA's inefficiency and errors? Improved oversight and an overhaul of the accounting department at the MDTA is definitely in order. But in the meantime, if Senate Bill 138 will prohibit the state from applying excessive civil penalties on these tolls, and prohibit it from sending violations to the central collection unit, then it's a good thing.

I urge you to support Senate Bill 138.

Sincerely,

Kathy Viney 15101 Glade Drive #1B Silver Spring, MD 20906 kathyviney@comcast.net 301-598-2691

Senate Bill 139 - Maryland Transportation Authority - Video Tolls - Collection

Dear Senator Thomas Middleton and Senate Finance Committee members:

Earlier this year, I received a notice that I had several electronic toll violations, all incurred at various points on the Intercounty Connector (Route 200) during the month of April 2016. I was surprised to have received these notices as I have had a transponder on my vehicle for several years and have always maintained my credit card information. Upon receiving the notice, I contacted the Maryland Transportation Authority in May 2016 via phone and asked the representative if he could explain the violations. He could not, but as a remedy, he suggested buying a new transponder (which I did), and requested that I provide my current credit card information, which I also did.

Then, in August and September of 2016, I again received toll violation notifications for the tolls incurred in April. Only this time, it was not just for the toll amounts; it was also for "late" fees incurred for "failure" to pay the April toll fees. I now owed in excess of \$200 (the original toll amounts of approximately \$12 plus \$50 per instance). Very concerned and confused, I again contacted the Maryland Transportation Authority via phone on September 1. I was very surprised to learn from the representative I spoke to that when I called in May, I was supposed to have given explicit instructions to the representative to "request" that my credit card be applied to pay the fees from April and since I hadn't done that, the fees were still outstanding. The card was only applied for use on future tolls. So, according to the representative, my only recourse to avoid those fines was to request a court hearing to be held in Prince George's County (I live in Montgomery County and work in D.C.).

In consideration of Governor Hogan's Customer Service Initiative for the Maryland agencies, I sent a letter to Senator Manno to request that Maryland remove the late fees for these instances. I did not receive transparent service when I called the Maryland Transportation Authority service line on May 30, and the subsequent service I received on September 1 failed to provide a suitable resolution to this issue. I had done everything possible in this situation that can be reasonably expected to ensure my tolls were paid and to maintain my payment information and my transponder.

In this case, no one was able to provide an explanation for the transponder or credit card failure. What's worse, I have now spent in excess of 20 hours on addressing this, including writing this testimony. I cannot take time off from my work to go to court in another county, especially when I have not violated any laws. Further, I don't believe Maryland should be 'defaulting' to our court system when people have been responsive and made sufficient effort to pay their tolls (in this case, more than sufficient effort). The goal of these automated toll systems is efficiency and convenience—for the state and the driver. As far as I can tell, the system in place today is anything but for all involved. I think this situation should be used as case in point to improve the agency's processes and service to law-abiding citizens who expect greater consideration when automated toll systems fail.

Thank you for your time.

Sincerely,

Allison Tobin Reed

Senate Bill 139 - Maryland Transportation Authority - Video Tolls - Collection

Dear Chair Middleton, Vice Chair Astle, and Senate Finance Committee members:

I write today asking your support and recommendation that SB 139 becomes law in Maryland. As a resident of District 19, I use the Intercounty Connector (ICC)/MD 200 frequently to complete my work as pastor at Seneca Community Church (District 15). While some will attempt to avoid paying their tolls with any excuse, I support this bill because it allows responsible drivers to pay their tolls in a reasonable way and with more communication. This bill will solve many intentional and unintentional problems.

While I was paying my toll in May 2016, I discovered that another bill was on my record and I had not received any notification. I don't understand the communication failure, but my timely call prevented me from incurring additional charges.

The provisions in the bill are excellent ways for improving communication and providing more ways to pay tolls without additional burdens on responsible drivers in the state. The oral notification for tolls in excess of \$250 is an excellent step for reducing hardships and reminds me of some ideas mentioned in a 2015 CNNMoney article, "Highway robbery: Small tolls spiral into thousand dollar debts and jail time" http://money.cnn.com/2015/09/01/news/unpaid-tolls-debt/.

When I mentioned SB139 in my church, several members shared with me their concerns and the desire to see the appropriate change made. I urge you to recommend to your colleagues and pass this legislation.

Sincerely yours,

Rev. Kenneth N. Nelson 13003 Camellia Drive Silver Spring, Maryland 20906

SB 139 - Maryland Transportation Authority - Video Tolls - Collection

Chair Middleton and members of the Senate Finance Committee:

My name is Jannie Nelson and I am informing to all involved that EZ Pass has been an inconvenience rather than an convenience to use towards toll booths during traveling. Since the time I had activated the EZ-Pass, I was constantly on the phone to dispute toll violations that were supposed to had been paid.

E Z Pass had my credit card account on file and they would say they tried to do an electronic withdrawal from my account but to no avail, the account would decline. I explained to the representative that this is not accurate. My credit card is current, but EZ Pass still would use the same debit card that they had said declined. As always, my EZ- Pass account would become a zero balance again.

This issue would occur over and over again for old toll violations from 10/22/2014. The final straw was when I received a notice from the Comptroller of Maryland garnishing \$46 of \$184.80 on July 28, 2016, which they stayed I owed. I called Congressman Chris Van Hollen's office, which provided me with Senator Roger Manno's office number.

Through perseverance and diligence, Senator Manno's office helped me through this process and was able to help troubleshoot my issue.

Finally, I was able to speak with someone of authority and that was the deputy director of EZ- Pass. He decided to investigate the matter and as of November 21, 2016, he removed all violations/charges.

This ongoing matter was unacceptable and very frustrating. I personally felt what transpired with me shouldn't happen to anyone else. I would like to express my concerns that this should not be allowed to garnish someone's funds unauthorized, and not to be allow to keep charging customers ridiculous toll violation late fees.

Thank you in advance for your prompt attention to this matter in questioned.

Respectfully, Jannie Nelson

SB 139 - Maryland Transportation Authority - Video Tolls - Collection

Chair Middleton and members of the Senate Finance Committee:

I am here to testify in support of Senate Bill 139 and my outrage regarding the punitive use of the \$50 fine for each unpaid video toll. I have utilized the Inter-County Connector (ICC) since it opened. My son travels regularly as a UMBC commuter student and I commute to work. My family also travels on the ICC occasionally for other purposes. I am annoyed by the insensitive behavior of those administering the ICC fee system.

This system is designed to charge or debit an amount that is initially unknown to the owner, which makes it difficult for the user to schedule these costs into their family budget. This system reviews video tolls in "chunks," often being two or more weeks behind. This means a person can have \$30 on their account one day and be under by twenty dollars the next.

This system does not allow for alternative payment such as PayPal, Western Union or Moneygram. The ICC toll system has no low balance warning, which necessitates the user to access their account on a computer or by phone, with the wait time frequently over 30 minutes, to find out what their account balance might be.

This system charges a \$50 fee for a toll that could have been under one dollar. I could have stood in line at the DMV and put \$40 on my account one week, have the EZPass system charge me \$60 during the following week, due to their catching up on a back log of video tolls. Then this negative balance would again put me in the system for video tolls.

This system sends out one notice by regular mail before the \$50 fine is imposed. It is true that this fee is waived the first time, but I must go to the *court* to have it rescinded after that time. Because I have used my one waiver, if the mail is lost, or the notice gets mixed in with the junk mail and I do not see it, and that fine is not paid, then I will get a \$50 charge for every violation.

What I am saying is that I believe that many people have difficulty with the system as it stands. You should stand in line at the DMV EZPass and talk to the citizens there. Many people are unable to have random amounts debited or charged to their bank accounts and still maintain their family budget.

What we need is a more civil system that allows easy payment kiosks, bill paying services like Moneygram, some negative balance fluctuation, a low balance notification system, and most of all, removal of the \$50 video toll charge for a more modest, less punitive, fee that those on tight budgets can pay.

Thank you very much for taking the time to listen to my testimony today.

Sincerely,

Garry Dorr Silver Spring resident TO:

The Honorable Senate Finance Committee Chair Mac Middleton and Honorable Vice

Chair John Astle

FROM:

John McNamara, 7301 Oskaloosa Dr, Derwood, MD 20855

SUBJECT:

SB 139 - Maryland Transportation Authority - Video Tolls - Collection (SUPPORT)

DATE:

February 1, 2017

I am a retired US Senior Foreign Service Officer and currently volunteer as a community mediator with the Conflict Resolution Center of Montgomery County. As part of my volunteer work I traveled to a state wide Mediation Conference in Linthicum Heights on December 9 2016, via the Inter County Connector (MD 200).

In January my wife, Anne Cary, in whose name the car I was driving is registered, received a Notice of Toll Due from the Maryland Transportation Authority (MdTA). The notice stated I had entered and exited the ICC at the same moment that morning, at toll entry number 107 at Layhill Rd and New Hampshire Ave, without paying. The toll reportedly due was \$1.62.

I checked my E-Z Pass account records and confirmed that I had in fact paid a toll for that trip at the time of my travel, via EZ Pass. The E-Z Pass record correctly showed I entered the ICC that morning at I-370 and exited 13 minutes later at I-95 and automatically paid \$3.52.

I tried to correct the overcharge online at MDTA's website, but could find no way to submit my claim. There is a Citation Waiver Request Form, but the accompanying instructions urged first time filers to call their 888 number first. So, on January 24, I called the MDTA to clarify the matter and avoid the \$50 fine for unpaid tolls. I explained I had documentary evidence proving I had paid the toll. I was told to fill out the Waiver Form and present my evidence at an EZ Pass office or FAX it to their Citations office. I explained that I had no access to a fax machine, this not being the 1990s anymore, and was disinclined to drive all the way to an EZ Pass office to correct their \$1.62 error. I asked if I could submit my documentation via email. I was told I could not. Surprised and dismayed that this was not an option in 2017, I asked the agent to check with a supervisor. This she did, and after an indeterminate hold, the agent returned to the line and began reciting again the fax number. I asked if that meant there was no way I could send my documentation via email. She said that was the case.

This was an extremely frustrating exercise for several reasons:

- I should have been able to resolve this minor error of theirs on their website or via an email, not by driving to an EZ Pass office or finding a commercial fax service.
- The Citation Waiver Form is so poorly designed that it makes no allowance for the possibility that the citation was issued in error.
- Today, reviewing the paperwork, I found that there <u>IS</u> an email address to which one can send documentation – something I was expressly and repeatedly told was <u>NOT</u> a possibility by the agent at MDTA.
- To date I have received no confirmation that my waiver request has been received, much less
 adjudicated, and whether I am still subject to a\$50 fine for a toll I paid at the time of incurring it.



Maryland Motor Truck Association

9256 Bendix Road, Suite 203, Columbia, MD 21045
Phone: 410-644-4600 Fax: 410-644-2537



HEARING DATE:

February 1, 2017

BILL NO/TITLE:

Senate Bill 139: Maryland Transportation Authority - Video Tolls - Collection

COMMITTEE:

Senate Finance Committee

POSITION:

Support with Amendments

Purpose: SB 139 would make several changes to how the Maryland Transportation Authority notifies its customers when a video toll occurs.

Although Maryland Motor Truck Association does not support the specific requirements SB 139, the Association does support developing a better notification process when an individual or company has video tolls.

The trucking industry has a tremendous number of E-ZPass users. Electronic tolling is important for efficient freight movement. The system in Maryland has many designs that make it perhaps the best in the country for commercial trucks; however, improvements can be made, particularly around violation and/or video toll notification.

A recent example of why such a review is needed was exhibited by one of our members who has used E-ZPass since 2004. Two weeks ago he went to renew his vehicle registration and was told his truck was flagged and his registration could not be renewed. This was because he had over \$18,000 in unpaid tolls and \$5,000 in penalties that date back over the last 9 years, to 2008. He is not a toll avoider. His E-ZPass account has never been negative and last year paid \$50,000 in tolls. Yet he never received a single notice of these additional video tolls and violations.

For the last several days the MVA and MDTA have been looking into why this occurred. It was identified that there is a gap in the multiple MVA systems where business addresses are kept on file. Using the MVA system, the MDTA mailed these notices of tolls due to an address this company has not occupied for many years. This was in spite of the fact that our member updated the address for his personal CDL when he moved and also updated the address on file for his vehicle registration; however, the license and vehicle registration systems for commercial users do not synchronize with a 3rd MVA address record and it was this outdated address that was used by the Transportation Authority.

Our member's vehicle registration expired yesterday. Today his truck is sitting. Both the MDTA and the MVA have been working with us to resolve this member's debt, but a better notification system is needed to ensure another company does not have the same experience.

<u>About Maryland Motor Truck Association:</u> Maryland Motor Truck Association is a not-for-profit trade association representing the trucking industry since 1935. In service to its 1,000+ members, MMTA is committed to supporting and advocating for a safe, efficient and profitable trucking industry across all sectors and industry types, regardless of size, domicile or type of operation.

For further information, contact: Louis Campion, (c) 443-623-4223



Larry Hogan Governor

Boyd K. Rutherford Lt. Governor

Pete K. Rahn Secretary

The Honorable Thomas M. Middleton Chairman Senate Finance Committee 3 East Miller Senate Building Annapolis MD 21401

Re: Letter of Information- Senate Bill 139 – Maryland Transportation Authority - Video Tolls – Collection

Dear Chairman Middleton and Committee Members:

The Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) take no position on Senate Bill 139 but offer the following information for the Committee's consideration during its deliberations.

As written, SB 139 amends Transportation Article §21-1414 to require the MDTA to orally notify the registered owner of a motor vehicle that a video toll is due if the video toll exceeds 100% of the original toll amount or the owner has outstanding video tolls in excess of \$250. Additionally, SB 139 repeals MDTA's authority to waive any portion of a video toll due or civil penalty assessed before it refers the debt to the Central Collection Unit (CCU), and prohibits MDTA from referring any video toll to CCU.

There are three toll rates set by the MTDA: a Maryland EZ Pass rate, a cash rate, and a video toll rate. While these rates vary by toll facility, video toll rates are set at 150% of the cash toll amount in order to ensure the recovery of costs associated with collecting on a notice of toll due (NOTD). When a driver incurs a video toll, and that driver's license plate cannot be matched with an EZ Pass account, a NOTD is sent to the first listed owner of the registered vehicle. That address is acquired by the MDTA from the Maryland Motor Vehicle Administration, and the registered owner then has 45 days to pay the video toll.

If payment is not received by the MDTA within 45 days following the NOTD, a citation is issued for the video toll amount, plus a \$50 civil penalty for each unpaid video toll transaction. If the citation is not paid or contested within 30 days, a past due notice is sent allowing for an additional 15 days to pay before the vehicle registration is either flagged for non-renewal (if the amount is less than \$1,000 in tolls and penalties) or suspended (if the amount is \$1,000 or more in tolls and penalties). Should the debt remain unpaid, a final notice is sent allowing for another 15 days to pay before the outstanding tolls and civil penalties are referred to CCU.

The Honorable Thomas M. Middleton Page Two

Transportation Article § 24-1414 provides MDTA with two valuable statutory tools for creating accountability and collecting outstanding toll violations. By assessing a civil penalty to those who fail to pay their NOTD within 45 days, the MDTA is able to not only recover costs associated with collected a toll due, but provide a deterrent from future violations. Moreover, referral to CCU provides customers the ability to have their vehicle registration suspension lifted immediately, while providing payment plan options not available through the MDTA.

Lastly, SB 139 requires the MDTA to orally notify the registered owner of a motor vehicle of the toll due and expressly prohibits the MDTA from leaving voice mail messages or using automated telephone notification. Had this provision been in effect for FY16, MDTA would have been required to make 6.1 million oral notifications or in-person visits. Should SB 139 as written be enacted, MDTA anticipates needing to hire additional staff and law enforcement officers to perform these duties.

For these reasons, the Maryland Department of Transportation and the Maryland Transportation Authority respectfully request the Committee consider this information during its deliberations on Senate Bill 139. Should there be any questions or concerns, please do not hesitate to contact the Department.

Respectfully submitted,

Kevin C. Reigrut Executive Director Maryland Transportation Authority 410-537-1001 Sarah M. Hoyt State Legislative Officer Maryland Department of Transportation 410-841-2850



LARRY HOGAN
Governor
BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

February 1, 2017

Senator Thomas M. Middleton Chairman Senate Finance Committee 3 East Miller Senate Office Building Annapolis, MD 21401

RE: SB 139 Maryland Transportation Authority – Video Tolls – Collection (Manno, et al)

Dear Chairman Middleton:

SB 139 makes a number of changes to video toll violations, including prohibiting the Maryland Transportation Authority from referring debts associated with video toll violations to the Central Collection Unit (CCU). CCU is a division within the Department of Management and is statutorily created to collect delinquent accounts owed to the State of Maryland in the most efficient, cost-effective and professional manner. Typically, agencies send three notices over a period of 90 to 120 days before debt is referred to CCU as delinquent.

CCU's operations are structured for the singular purpose of delinquent debt collection. The Unit already has established relationships and matching programs with key agencies that allow data to be leveraged across various debt types and agencies to increase collections. These synergies exist with MVA (demographic information tied to driver's license and vehicle registration and flagging), the Comptroller, State Lottery, and Department of Labor, Licensing and Regulation.

Five satellite office locations exist throughout the state to meet with EZPass debtors, discuss payment plans and facilitate an immediate flag release to receive vehicle services.

In addition to staffing a call center, CCU uses an outside collection vendor, a skiptracing vendor, a notice vendor, and a process server to supplement the in-house collection efforts. Also at CCU's disposal is an established debt investigation and review process.

Finally, CCU has at its disposal a variety of collection methods and resources that are not available to other agencies, including:

• Voluntary payments and payment arrangement that are accepted via telephone, web, mail, or in-person at its Baltimore headquarters or five satellite offices throughout the State;

- Interception of State tax refunds; State and federal vendor payments; lottery winnings; casino winnings for restitution payments; and estate funds;
- Contract with outside collection vendor; and
- Filing lawsuits for wage garnishment and property liens.
- Determine when a compromise or settlement of a debt is appropriate

In conclusion, it is more efficient for CCU to remain the delinquent debt collector of video toll violations, rather than the Maryland Transportation Authority, because debt collection is CCU's core mission. We hope this information has been useful in the Committee's deliberations on SB 139.

Sincerely,

Anthony Fuget

Director

Central Collection Unit

cc: Members, Senate Finance Committee Senator Roger Manno