

March 6, 2024

The Honorable Brian J. Feldman
Chair, Senate Education, Energy, and the Environment Committee
2 West, Miller Senate Office Building
Annapolis MD 21401

***RE: Letter of Information – Senate Bill 1081 – Education - Public Schools - Driver
Education and Transportation to Field Trips***

Dear Chair Feldman and Committee Members:

The Maryland Department of Transportation (MDOT) offers the following information on Senate Bill 1081 for the Committee's consideration.

Senate Bill 1081 would create several new funds aimed at providing greater access to driver's education and financial aid for school sponsored field trips, increasing the current penalty for lapse of required securities on vehicles in Maryland to provide the specified monies to the new funds.

The Motor Vehicle Administration (MVA) currently enforces required securities on a motor vehicle in the State. Should a lapse in insurance coverage occur, the MVA is required to charge a flat rate of \$150 for the first one (1) to 30 days and \$7 for each day thereafter up to \$2,500 per 12-month period. Senate Bill 1081 would alter the initial fee charged to \$100 for the first one (1) to 15 days and then an additional \$200 for 16 to 30 days. This would result in a doubling of the cost for a security lapse from 16-30 days compared to the present fees charged. Thereafter, each additional day of a lapse would be charged \$9 up to a total assessed penalty of \$3,000 per calendar year. That would be a \$2 per day increase up to an additional \$500 per year increase in assessed charges. If an insurance violation is not paid within the required period of time, the information is then passed onto the Central Collection Unit (CCU) at the Department of Budget and Management. The CCU charges the customer an additional 17% collection fee and offers the ability to create a payment plan.

The Maryland Department of Transportation respectfully requests that the Committee consider this information when deliberating Senate Bill 1081.

Respectfully submitted,

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