

Department of Legislative Services
 Maryland General Assembly
 2014 Session

FISCAL AND POLICY NOTE

Senate Bill 697 (Senators Stone and Forehand)
 Finance

Maryland Transportation Authority - Electronic Toll Collection - Procedures

This bill increases, from 30 days to 60 days, the amount of time a person has to (1) pay a video toll; (2) assert various statutory defenses against paying a video toll; or (3) elect either to stand trial or pay a video toll and citation after receiving a citation. It also requires each video toll notice and citation to be mailed separately and to be clearly marked on the envelope as containing time-sensitive material.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: Nonbudgeted expenditures by the Maryland Transportation Authority (MDTA) increase by \$3.7 million in FY 2015 due to one-time programming costs and ongoing increases in postage and processing costs to send additional notifications and citations. Ongoing costs total \$3.4 million annually for postage and processing. The longer payment periods may decrease nonbudgeted revenue for MDTA due to lower payment rates, but any such effect cannot be reliably estimated.

(\$ in millions)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
NonBud Rev.	(-)	(-)	(-)	(-)	(-)
NonBud Exp.	\$3.7	\$3.4	\$3.4	\$3.4	\$3.4
Net Effect	(\$3.7)	(\$3.4)	(\$3.4)	(\$3.4)	(\$3.4)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Minimal or none.

Analysis

Current Law: A “video toll transaction” occurs when a motor vehicle does not or did not pay a toll at the time of passage through a toll collection facility with a video monitoring system. MDTA must send the registered owner of a vehicle that has incurred a video toll a notice of toll due. A person who receives a notice has 30 days to pay the notice. Failure to pay the toll on time constitutes a toll violation and the individual is subject to a civil citation and civil penalty, which must be mailed within 60 days of the violation.

An individual liable for a citation has 30 days to elect to either stand trial for the alleged violation or pay the toll and citation; if neither happens, the individual is subject to further adjudication and/or collection procedures.

In specified instances involving occasions when the driver of the vehicle is not the registered owner, the driver, and not the owner, becomes liable for payment of the video toll. In each instance, the owner must assert and provide evidence of these circumstances within 30 days, including the identity of the driver. They are:

- the vehicle is operated by a person other than the registered owner and the driver submits a notarized admission of liability for the toll;
- the vehicle is owned by a car rental firm and was being driven by a lessee;
- the vehicle is operated using a dealer or transporter registration plate and was being driven by someone other than the owner; or
- the vehicle was reported stolen at the time the toll was assessed and a copy of the police report is provided to MDTA.

Background: Since 1971, MDTA has been responsible for constructing, managing, operating, and improving the State’s toll facilities and for financing new revenue-producing transportation projects. MDTA is governed by nine individuals appointed by the Governor, with the advice and consent of the Senate. The Secretary of Transportation serves as MDTA’s chairman. MDTA transportation facilities projects include:

- bridges (*e.g.*, Susquehanna River Bridge; Harry W. Nice Memorial Potomac River Bridge; William Preston Lane, Jr. Memorial Chesapeake Bay Bridge and parallel Chesapeake Bay Bridge; Baltimore Harbor Tunnel; Fort McHenry Tunnel; Francis Scott Key Bridge; and John F. Kennedy Memorial Highway);
- vehicle parking facilities located in priority funding areas;

- other projects that MDTA authorizes to be acquired or constructed; and
- any authorized additions or improvements to MDTA projects.

MDTA has the authority to set tolls on transportation facilities projects under its supervision. Tolls must provide funds that, when combined with bond proceeds and other available revenues, are sufficient to pay maintenance, repair, and operating costs for transportation facilities projects that are not otherwise paid for; pay the interest and principal of any outstanding bond issues; create reasonable reserves for these purposes; and provide funds for the cost of replacements, renewals, and improvements. Toll revenues are deposited into the Transportation Authority Fund, which is wholly separate from the Transportation Trust Fund.

State Fiscal Effect: MDTA advises that, as a cost-saving measure, it often mails multiple video toll notices and/or citations to individuals in a single envelope. Based on experience, it estimates that in fiscal 2015, it will mail 4.1 million video toll notices and 1.25 million citations, resulting in postage and processing costs of \$6.8 million. The bill affects MDTA costs in three ways. First, a one-time cost of reprogramming the automated mailing system to reflect the new payment requirements is estimated to be \$250,000. Second, MDTA incurs additional postage and processing costs to mail each citation separately. MDTA contracts out processing of video toll notifications to a third-party service provider, which estimates that the increased mailings required by the bill increase postage and processing costs by \$3.4 million annually. Third, the longer payment periods may result in reduced payment rates, but any reduction in collections cannot be reliably estimated.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 10, 2014
ncs/lgc

Analysis by: Michael C. Rubenstein

Direct Inquiries to:
(410) 946-5510
(301) 970-5510