

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 523

(Delegate Stein)

Environment and Transportation

Finance

E-ZPass Accounts - Transponder Theft - Reporting and Unauthorized Charges

This bill exempts an E-ZPass account holder whose E-ZPass transponder is stolen from being responsible for specified unauthorized toll charges if he or she (1) reports the theft of the transponder to local law enforcement and the Maryland Transportation Authority (MDTA) within two weeks of the first account statement after the theft and (2) identifies any unauthorized charges to his/her account and reports the unauthorized charges to MDTA for verification. The bill also expressly authorizes an E-ZPass account holder to report a transponder theft to MDTA and local law enforcement in this manner.

Fiscal Summary

State Effect: The bill's requirements are substantively similar to MDTA's current practice regarding stolen E-ZPass transponders and unauthorized charges. Thus, the bill does not materially affect MDTA finances or operations.

Local Effect: The bill does not materially affect local governmental operations or finances; local law enforcement can handle any increase in reports of stolen E-ZPass transponders with existing resources.

Small Business Effect: Minimal or none.

Analysis

Bill Summary: An account holder who reports the theft of a transponder in accordance with the bill's provisions is not responsible for unauthorized toll charges (1) incurred after the date the theft was reported to MDTA or (2) if MDTA identifies the individual who unlawfully used the transponder and collects the proper toll charges from the individual.

Current Law: 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, tunnels, and toll highways;
- 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.

Background: MDTA has three different levels of toll rates charged at its various toll plazas for two-axle vehicles:

- a cash rate;
- an E-ZPass rate; and
- a commuter rate.

E-ZPass is an electronic toll collection system that allows drivers to prepay their tolls, eliminating the need to stop at toll plazas. It consists of three components: (1) a transponder placed in participating vehicles that emits an electronic signal; (2) an antenna at the toll plaza to read the signal as vehicles pass through; and (3) video cameras to identify persons required to pay by video toll. Transponders cost \$34 each (which includes a \$9 nonrefundable transponder fee and a pre-paid toll balance of \$25). E-ZPass is used 17 states, primarily in the Northeast and Mid-Atlantic regions.

All transponders are coded with an axle quantity (based on customer input) for the type of vehicle that is generally used with the transponder. When a vehicle with a transponder passes through a toll facility, MDTA's toll system reads the expected axle quantity from the transponder and counts the number of axles physically passing through the toll lane. If there is a difference between the transponder and the toll lane count, the transaction is

marked as a mismatch and an image is captured of the vehicle. The toll amount is charged to the E-ZPass account based on the physical axle count.

MDTA is able to provide the following information, if requested, to help its customers identify the unauthorized use of their E-ZPass transponders: (1) the facility location and lane; (2) the class of the vehicle; (3) the value of the toll (based on axle); and (4) the date and time of the transaction. This data is also available online to an account holder at any time after a transaction is posted to an account. In the event that an E-ZPass transponder is stolen, an account holder is responsible for all unauthorized charges prior to the theft being reported. However, an account holder is not responsible for any charges that occur after the theft is reported. In 2015, 2,368 E-ZPass transponders were reported stolen.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2016
min/lgc Revised - House Third Reader - March 28, 2016

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