

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
 First Reader

Senate Bill 1244 (Senator Klausmeier)
 Judicial Proceedings

Motor Vehicles - Video Toll Violation - Hearing Venue

This bill authorizes a District Court hearing for a toll violation to take place in the county in which the person who received the toll violation resides, if the person is a resident of the State.

Fiscal Summary

State Effect: Nonbudgeted expenditures increase by \$436,800 in FY 2019; future years reflect annualization and the elimination of one-time costs. While the bill may result in an increase in caseload for the District Court, any impact on the Judiciary’s finances is not anticipated to be significant. Revenues are not anticipated to be materially affected.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
NonBud Exp.	436,800	291,400	299,400	309,500	320,000
Net Effect	(\$436,800)	(\$291,400)	(\$299,400)	(\$309,500)	(\$320,000)

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

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

Small Business Effect: Minimal.

Analysis

Current Law: Since 1971, the Maryland Transportation Authority (MDTA) has been responsible for constructing, managing, operating, and improving the State’s toll facilities and for financing new revenue-producing transportation projects. 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.

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 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 must be set by MDTA through regulations and is currently \$50.

Chapter 122 of 2015 significantly altered the video tolling collection and toll violation process to allow more flexibility for motorists who incur a video toll, beginning in fiscal 2016. Among other things, Chapter 122 does not allow MDTA to assess a civil citation until 15 days after the toll violation occurs (a toll violation occurs 30 days after the notice of toll due is issued if a person does not pay the video toll by that date). Chapter 122 also authorizes MDTA to waive any portion of a video toll due or civil penalty assessed for a toll violation until the debt is referred to the Central Collection Unit (CCU) within the Department of Budget and Management.

Civil Citations, Hearing Venues, and Penalties

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 the person elects to go to court, the hearing must take place in the county in which the offense was allegedly committed. As a result, toll violations are only heard in the District Court in the seven jurisdictions where MDTA facilities are located (Baltimore City and Anne Arundel, Baltimore, Cecil, Charles, Montgomery, and Prince George's counties).

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 the Motor Vehicle Administration (MVA).

MVA must refuse 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.

The registered owner of a motor vehicle is not liable for a toll violation civil penalty if the operator of the motor vehicle has been convicted of failure or refusal to pay a toll for the same violation.

Background: Prior to the enactment of Chapter 122 of 2015, a customer who did not pay his or her toll with cash or an E-ZPass was sent a notice of toll due in the mail and given only 30 days to pay the video toll rate (which is currently set at 150% of the base toll rate). Any customer who did not pay within 30 days was immediately issued a citation, including the \$50 civil penalty. MDTA collected \$6.9 million in civil penalty revenue in fiscal 2014, \$16.5 million in fiscal 2015, \$18.3 million in fiscal 2016, and \$41.7 million in fiscal 2017. The significant increase in penalty revenue collected in fiscal 2017 is the result of a tax intercept program that MDTA began to use in that year.

State Expenditures:

Maryland Transportation Authority

As previously mentioned, toll violations are heard in the District Court in the seven jurisdictions where MDTA facilities are located. MDTA advises that for each hearing, it sends an attorney to represent MDTA and an E-ZPass account specialist to answer technical questions. MDTA advises that because hearings are held in a limited number of venues, MDTA experiences staff efficiencies – one attorney and one E-ZPass specialist are able to participate in multiple hearings in the same location each day. By authorizing a hearing to be held in the county in which a person resides, the bill increases the number of potential venues where hearings may take place from 7 to 17. In addition, it is anticipated that, under the bill, a large number of hearings will take place in these alternative venues. As a result, MDTA requires additional staff to travel to these other venues.

Therefore, nonbudgeted expenditures for MDTA increase by \$436,804 in fiscal 2019, which accounts for the bill's October 1, 2018 effective date. This estimate reflects the cost of hiring two E-ZPass account specialists and two attorneys to represent MDTA during toll violation hearings throughout the State. It includes salaries, fringe benefits, one-time start-up costs (including \$200,000 for programming changes), and ongoing operating expenses (including additional travel).

Positions	4
Salaries and Fringe Benefits	\$200,369
One-time Programming Costs	200,000
Additional Travel Costs	15,000
Other Operating Expenses	<u>21,435</u>
Total FY 2019 State Expenditures	\$436,804

Future year expenditures reflect full salaries with annual increases and employee turnover and ongoing operating and travel reimbursement expenses.

MDTA expenditures may increase further to the extent the bill results in more people requesting hearings as a result of the bill's changes; however, any such impact cannot be reliably estimated and is not included in this analysis.

Judiciary – District Court

The bill's changes may result in an increase in the number of hearings for contested toll citations brought before the District Court each year. Specifically, an individual who receives a toll violation may be more likely to request a hearing if the hearing location is closer to his/her home. The Judiciary advises that in calendar 2017, there were approximately 35,998 toll violations in which a defendant requested a hearing. Although any increase in caseload cannot be reliably estimated, it is assumed that the bill does not have a significant impact on the Judiciary's finances.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 16, 2018
nb/lgc

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