

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 59

(Senator McCray, *et al.*)

Budget and Taxation

Environment and Transportation

Maryland Transportation Authority - Tolls - Civil Penalties

This bill requires the Maryland Transportation Authority (MDTA) to (1) waive the civil penalty associated with a video toll in accordance with its customer assistance plan, as specified, and (2) reimburse any civil penalty paid in error under the plan. By October 1, 2022, MDTA must notify any individual who paid a civil penalty in error under the customer assistance plan and is eligible for reimbursement for the amount paid. By December 1, 2022, MDTA must submit a report to the General Assembly on the number of individuals who paid a civil penalty in error under the plan and what notification of reimbursement eligibility and reimbursement was provided to such individuals. **The bill takes effect July 1, 2022. The bill's reporting requirement terminates December 31, 2022.**

Fiscal Summary

State Effect: MDTA nonbudgeted expenditures may increase for mailing costs and reimbursements, as discussed below. Revenues are not anticipated to be affected, as discussed below.

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

Small Business Effect: Minimal.

Analysis

Current Law: For information on MDTA's assessment of civil penalties on unpaid tolls, among other things, please see the **Appendix – Maryland Transportation Authority and Tolling.**

State Fiscal Effect: As of February 28, 2022, MDTA has implemented an eight-month grace period for people with outstanding tolls and civil penalties. Under the customer assistance plan adopted by MDTA, all outstanding civil penalties are waived for motorists who pay their unpaid tolls by November 30, 2022. The bill requires MDTA to waive the civil penalty associated with a video toll on payment of the video toll in accordance with this plan. Assuming that MDTA would not otherwise cancel or significantly modify the grace period in the absence of the bill, this requirement does not affect MDTA's operations or finances.

Additionally, the bill requires MDTA to notify any individual who paid a civil penalty in error under the customer assistance plan and is eligible for reimbursement of the amount paid. This requirement may increase MDTA's nonbudgeted expenditures as it sends additional notices. In addition, the notification requirement in conjunction with the bill's requirement to reimburse any civil penalty paid in error under the plan could lead to additional reimbursements being paid than otherwise would be paid in the absence of the bill; however, any such impact cannot be reliably estimated without actual experience under the bill.

MDTA can complete and submit the required report using existing budgeted resources.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 582 (Delegate Hornberger, *et al.*) - Environment and Transportation.

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

Fiscal Note History: rh/lgc
First Reader - January 21, 2022
Third Reader - March 30, 2022
Revised - Amendment(s) - March 30, 2022
Revised - Clarification - March 30, 2022
Revised - Updated Information - March 30, 2022
Enrolled - May 2, 2022
Revised - Amendment(s) - May 2, 2022

Analysis by: Richard L. Duncan

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

Appendix – Maryland Transportation Authority and Tolling

Maryland Transportation Authority – Generally

Since 1971, the Maryland Transportation Authority (MDTA) has been responsible for constructing, managing, operating, and improving the State’s toll facilities (for example, the Chesapeake Bay Bridge, the Francis Scott Key Bridge, and the Intercounty Connector (ICC)) 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.

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.

Transition to All-electronic Tolling and Video Tolling

During 2019 and 2020, MDTA converted all of its toll facilities to all-electronic tolling (AET). As a result, paying a toll in cash is no longer an option, and tolls for vehicles that use an MDTA tolling facility must be paid (1) through the use of an E-ZPass; (2) by having a pay-by-plate account with MDTA; (3) by having a commuter payment plan with MDTA (which allows users to prepurchase a limited number of tolls at a discounted rate); or (4) through a video toll, if the toll is not paid using one of the other methods. With respect to video tolls, MDTA is required to send the registered owner of a motor vehicle that has incurred such a video toll a notice of toll due (NOTD). 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 \$25.

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 NOTD 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 Collections Unit within the Department of Budget and Management.

Toll Rates

MDTA generally has five different levels of toll rates charged at its various toll plazas for vehicles. There is a commuter plan rate, an E-ZPass rate for in-State motorists, an E-ZPass rate for out-of-State motorists, a pay-by-plate rate, and a video toll rate. For example, the toll rates for a two-axle vehicle at the Francis Scott Key Bridge (as well as the Harbor Tunnel and the Fort McHenry Tunnel) are as follows:

- \$1.40 for the commuter plan;
- \$3.00 for in-State E-ZPass;
- \$4.00 for out-of-State E-ZPass;
- \$4.00 for pay-by-plate; and
- \$6.00 for video.

All of MDTA's toll facilities generally use a similar toll structure (although the toll amount may vary); however, MDTA also offers E-ZPass users who live near the Thomas J. Hatem Memorial Bridge unlimited trips across the bridge for \$20 per year.

Recent Audit Findings

A recent audit of MDTA conducted by the Office of Legislative Audits (OLA) contained two findings, and the Joint Audit and Evaluation Committee held a hearing to discuss the findings with MDTA and OLA in December 2021.

First, OLA found that MDTA did not sufficiently determine the impact of certain issues with its electronic toll collection system on its customers and identify and correct related customer overbillings. Specifically, OLA noted that although MDTA investigated and corrected equipment errors during the implementation of its new AET tolling system, it did not always ensure all customers were refunded for those overbillings. OLA recommended that MDTA (1) review and evaluate significant tolling issues and (2) review previously identified electronic toll issues to determine the extent of customer overbillings and, in consultation with legal counsel, assess the practicality of related customer restitution.

Second, OLA found that MDTA did not perform periodic documented reviews of system access capabilities granted to State and contractual employees on its old electronic tolling and customer service system as required by the State's Information Technology Security Manual. The audit report recommended that MDTA perform periodic documented reviews of user access to its electronic tolling and customer service system, including the new systems once implemented, and take appropriate corrective action for any improper or unnecessary user access.

OLA noted that MDTA's response to the audit report indicated general agreement with the findings and recommendations. OLA's report and MDTA's response can be found on [OLA's website](#).