

Department of Legislative Services
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FISCAL AND POLICY NOTE
First Reader

Senate Bill 761

(Senator McCray)(By Request - Baltimore City
Administration)

Judicial Proceedings

Motor Vehicles - Installment Payment Plans - Automated Enforcement

This bill authorizes civil penalties issued under an automated traffic enforcement program to be included in an installment payment plan agreement with the clerk of the District Court or a circuit court. Under the bill, a defendant is eligible for a payment plan if the defendant is sentenced to pay one or more fines or civil penalties that total at least \$150 and certifies the inability to pay. The bill makes a series of conforming changes to ensure that other existing requirements for installment payment plans offered by the courts are applicable for civil penalties issued under an automated traffic enforcement program.

Fiscal Summary

State Effect: General fund expenditures may increase for additional staff and administrative expenses for the District Court. The amount of automated enforcement system fine revenues collected by the District Court may increase minimally. Central Collection Unit (CCU) operations and finances may be affected, as discussed below.

Local Effect: The bill is not anticipated to materially affect local government finances and operations, as discussed below.

Small Business Effect: Potential minimal.

Analysis

Current Law:

Automated Enforcement Systems

State law authorizes the use of various automated monitoring systems, including traffic control system monitoring systems, speed monitoring systems, school bus monitoring

systems, vehicle height monitoring systems, work zone speed control systems, and noise abatement monitoring systems. There are various requirements for each of the different types of systems related to, among other things, which local jurisdictions and State agencies are authorized to place the systems, the number of systems that are authorized to be placed, the notification process that a local or State agency must follow before placing a system, and the process to issue a citation for a violation recorded by one of the systems.

Generally, the maximum fine for a violation captured by most of the automated enforcement systems authorized to be used in the State is \$40; however, higher fines apply for some of the systems (*e.g.*, work zone speed monitoring and noise abatement monitoring systems). When a person receives a citation for a violation captured by an automated enforcement system, the person can either prepay the fine or appear in court to contest the citation. While the citation and fine collection process varies from system to system, generally:

- when a fine is prepaid, the local jurisdiction or State agency that placed and manages the automated enforcement system must receive the fine revenue; and
- when a citation is contested in the District Court, any fine imposed on the person is collected by the court and either (1) remitted to the general fund or (2) for specified automated enforcement systems, remitted to the appropriate State agency.

State law also includes limitations on how fine revenues from automated enforcement systems may be used. For example, local jurisdictions must generally use the revenues collected from automated enforcement systems for public safety purposes; for work zone speed monitoring systems, the revenues must be used by the State Highway Administration (SHA) and Department of State Police (DSP) for specified purposes and programs.

Installment Payment Plans for Traffic Fines

The District Court or a circuit court may authorize the clerk of the court to approve an [individual installment plan agreement](#) to allow for the payment of fines for certain traffic offenses and violations. To qualify for the installment plan, a defendant must be sentenced to pay one or more fines that total at least \$150 and certify that the defendant is unable to pay the fine or fines. An installment plan agreement must (1) require that the defendant make installment payments on the total amount of the fine or fines covered by the agreement and (2) specify the offenses and citations to which the agreement applies.

If a defendant fails to pay a fine in accordance with an installment plan agreement, the clerk of the court may (1) refer the amount of the unpaid outstanding fine to CCU or (2) process the unpaid outstanding fine as it would other outstanding fines owed the court. The clerk of the court must provide notice to the defendant of the disposition of the unpaid

outstanding fine in the same manner for other outstanding fines processed in the same manner.

Central Collection Unit

CCU is responsible for collecting any delinquent accounts or debts owed to the State. CCU is authorized to use any actions available to it under State law to collect debts or claims. CCU is authorized to charge an administrative fee of up to 20% of the outstanding principal and interest on the debt referred to it for collection; the current fee is 17%. Debt payments are credited to the agency that refers the debt. The administrative fees are credited to the Central Collection Fund, which is the special fund used to pay for CCU's operating expenses.

CCU uses a variety of methods and resources to facilitate the collection of delinquent accounts, including automated and manual efforts, as well as a private collection agency. Under certain conditions, CCU also allows a person to pay their debt over an extended period of time by entering into a [Payment Plan Agreement](#).

State Fiscal Effect:

District Court – Collection of Revenues

As noted above, the District Court is only involved with automated enforcement system violations when a defendant does not prepay a citation and, instead, requests a hearing to contest a violation. In this case, revenues are collected by the court itself and remitted to either the general fund or other State agencies, as directed by State law. For example, fines collected through work zone speed monitoring systems must be remitted to SHA and DSP to be used for specified purposes.

The bill may increase fine revenues collected by the District Court beginning as early as fiscal 2026 as individuals begin to pay automated enforcement system penalties through the expanded authority granted by the bill; however, any such impact is only realized to the extent that persons choosing to pay their outstanding fines through an installment payment plan would not have paid otherwise absent the bill. In some cases, the collection of revenues may simply be delayed. Additionally, the District Court advises that the default rate for the payment of traffic fines through its existing installment payment plan program has historically been 84%. The Judiciary also anticipates a significant default rate (likely over 80%) for the installment payment plans implemented under the bill.

Given these factors, it is unclear whether the bill will materially affect the fine revenues collected by the District Court; however, *if* any increase in revenues is realized, that increase is likely to be minimal.

District Court – Administrative Costs

The Judiciary advises that it implements installment payment plans for the payment of traffic fines under current law using a manual process. Clerks of the court directly review applications for completeness and eligibility and set up spreadsheets for the manual tracking of payments made by program participants. Through the program, invoices are created, payments are accounted for at a cash register, and notices are regularly mailed to program participants. As such, general fund expenditures may increase beginning in fiscal 2026 if the Judiciary receives a significant number of installment payment plan requests under the bill and requires additional staff to properly manage an increased volume of the plans. *For illustrative purposes only*, the cost associated with employing a court clerk is approximately \$73,000 annually.

Additionally, the Judiciary incurs costs in fiscal 2026 to update its various forms and program documents; however, this impact is anticipated to be relatively minimal compared to the aforementioned staffing costs and likely absorbable within existing budgeted resources. Because the circuit court is not involved with automated traffic enforcement systems, the bill is only anticipated to affect District Court operations.

Central Collection Unit

Through its duties as the State's debt-collection agency, CCU collects outstanding traffic citation fine revenues on behalf of the courts. As noted above, CCU collects an administrative fee on the debt it collects, which accrues to a special fund to pay its administrative expenses.

To the extent that the courts are able to collect outstanding fine revenue from automated enforcement systems using installment payment plans, and that revenue would otherwise have been referred to CCU for collection, special fund revenues for CCU decrease, and special fund expenditures may also decrease as CCU no longer incurs related administrative costs. Conversely, given the high default rate anticipated by the Judiciary for installment payment plans implemented under the bill, the bill may result in additional debt being referred to CCU for collection when it may have been collected by the court absent the bill. In such a case, special fund expenditures and revenues would increase as administrative costs are incurred and revenues are collected. However, any such impact on CCU's operations and finances cannot be estimated without actual experience under the bill.

Local Fiscal Effect: As noted above, the District Court is only involved with automated enforcement system violations when a defendant does not prepay a citation and, instead, requests a hearing to contest a violation. Consequently, the installment payment plan option offered by the court, both under the bill and under current law, can only apply for penalties

for contested citations and cannot apply for prepaid penalties. As such, any additional revenues collected through installment plans implemented under the bill do not increase local government revenues.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Comptroller's Office; Maryland Department of Transportation; Baltimore, Montgomery, and Prince George's counties; Maryland Municipal League; Department of Legislative Services

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