

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 941

(Senator Sydnor)

Judicial Proceedings

Rules and Executive Nominations

Transportation-Related Tolls - Installment Payment Plans

This bill requires the Maryland Transportation Authority (MDTA) to establish an installment payment plan program for the payment of certain video tolls and civil penalties. A person is eligible to apply to participate in the program if the person accumulates at least \$300 in unpaid video tolls and civil penalties. If a person enters into an installment payment plan but fails to pay the outstanding video tolls and civil penalties in accordance with the plan, MDTA may refer the amount of the unpaid tolls and penalties to the Central Collection Unit (CCU) within the Department of Budget and Management. MDTA must adopt related regulations to implement the program. The bill also expands MDTA's authority to recall a delinquent account from CCU; under the bill, MDTA may recall a delinquent account if *one of* the three existing requirements under current law is met, instead of all three.

Fiscal Summary

State Effect: MDTA is in the process of implementing an installment payment plan program that is similar to the program required by the bill; accordingly, implementing the program required by the bill is not anticipated to materially affect MDTA's operations or finances. The bill's expansion of MDTA's authority to recall a delinquent account from CCU is not anticipated to materially affect State operations or finances; MDTA advises that it does not plan to modify its current debt recall practices regardless of the expanded authority.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: MDTA must adopt regulations to establish:

- eligibility and verification requirements for the program;
- the number and type of installment payment options available under the program;
- an application process for participation in the program;
- a process for reporting a person who fails to make the required installment payments in a timely manner in accordance with the person's payment plan; and
- any other regulations necessary to administer the program.

The bill also makes conforming changes to other provisions that govern MDTA's imposition and collection of video tolls and civil penalties.

Current Law:

Maryland Transportation Authority and Video Tolling

Since 1971, MDTA has been responsible for constructing, managing, operating, and improving the State's toll facilities (for example, the Chesapeake Bay Bridge and the Governor Harry W. Nice Memorial/Senator Thomas "Mac" Middleton Bridge) and for financing new revenue-producing transportation projects. MDTA is a nonbudgeted State agency, meaning that its budget is not subject to the General Assembly's appropriation process.

MDTA must send the registered owner of a motor vehicle that uses one of MDTA's toll facilities without paying the toll in some other manner a notice of toll due to inform the owner that they are liable for a video toll. Generally, a person who receives a notice of toll due has 30 days to pay the video toll. If a person does not pay the video toll by the date stated on the notice, the person is subject to a civil citation and civil penalty for a toll violation. The civil penalty must be set by MDTA through regulation and is currently \$25.

A person that receives a citation for a toll violation may either pay the video toll and the civil penalty directly to MDTA or elect to stand trial for the alleged violation. If a person fails to pay the toll and penalty, fails to elect to stand trial, is adjudicated to be liable after trial, or fails to appear at trial after having elected to stand trial, MDTA or its duly authorized agent may (1) collect the video toll and the civil penalty by any means of collection authorized by law and (2) notify the Motor Vehicle Administration (MVA) of the failure to pay the toll and penalty. Once notified by MDTA, MVA must refuse or suspend the registration of the motor vehicle. No additional hearing or proceeding is required before MVA takes such action.

MDTA may refer a delinquent account for unpaid video tolls and associated civil penalties to CCU for collection. MDTA may recall a delinquent account from CCU if (1) the delinquent account exceeds \$300 in unpaid video tolls and associated civil penalties; (2) the tolls in question were assessed within a 30-day period; and (3) mitigating factors exist with respect to the assessment of the unpaid tolls and penalties, as determined by MDTA. Until MDTA refers the debt to CCU or after MDTA has recalled a delinquent account from CCU, MDTA may waive any portion of the video toll due or civil penalty assessed.

Installment Payment Plans for Unpaid Video Tolls and Civil Penalties

MDTA is in the process of establishing an installment payment plan program similar to the program required by the bill. While MDTA has already adopted regulations to establish its [installment payment plan program](#), the program has not yet been implemented.

Under the regulations, MDTA may offer any person alleged to be liable for payment of unpaid video tolls and associated civil penalties that total at least \$300 the option to make monthly installment payments until the total amount is paid. MDTA may waive any portion of the associated outstanding civil penalties. If liquidation by installment payments requires more than three years, then the debt may be referred as a delinquent account to CCU. Also, if a person fails to make payment or defaults on the terms of an installment plan, MDTA may terminate the installment plan, resulting in a final toll violation. MDTA is not required to offer alternative payment plans if a person defaults on the installment payments. MDTA may use any legal action available to collect.

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](#).

Additional Information

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

Designated Cross File: HB 1465 (Delegate Stewart, *et al.*) - Environment and Transportation.

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

Fiscal Note History: First Reader - February 27, 2025

km/lgc Third Reader - March 31, 2025

Revised - Amendment(s) - March 31, 2025

Analysis by: Richard L. Duncan

Direct Inquiries to:

(410) 946-5510

(301) 970-5510