

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1200 (Delegate Wivell, *et al.*)
 Environment and Transportation

Vehicle Laws - Electronic and Video Tolls - Exemption for Registered Owners Undergoing Cancer Treatment

This bill exempts the registered owner of a motor vehicle from being liable for a video toll transaction if, at the time of the transaction, the vehicle is operated by the registered owner or a person transporting the registered owner and the registered owner, by the date stated on the notice of toll due, provides the Maryland Transportation Authority (MDTA) or its duly authorized agent with medical documentation from a licensed health care provider substantiating that the registered owner is between scheduled cancer treatments as part of an ongoing course of treatment.

Fiscal Summary

State Effect: Nonbudgeted revenues for MDTA decrease, potentially significantly, beginning in FY 2027 due to foregone toll revenues, as discussed below. Nonbudgeted expenditures increase by at least \$77,700 in FY 2027; future years reflect annualization, inflation, and ongoing operating costs. The bill may violate MDTA’s trust agreement with its bondholders, as discussed below. The operations and finances of the Central Collection Unit (CCU) are not anticipated to be materially affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
NonBud Rev.	(-)	(-)	(-)	(-)	(-)
NonBud Exp.	\$77,700	\$90,600	\$94,900	\$99,200	\$103,500
Net Effect	(-)	(-)	(-)	(-)	(-)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Maryland Transportation Authority

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 (Nice/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 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.

Video Tolling and the Collection of Outstanding Tolls

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; or (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.

State Fiscal Effect:

Toll Revenues

Nonbudgeted revenues for MDTA decrease beginning in fiscal 2027 due to foregone toll revenues; the extent of any such decrease depends on how many video tolls are waived for individuals eligible for the bill’s exemption, which is unknown, but could be significant. According to the [Johns Hopkins Kimmel Cancer Center](#), there are approximately 32,000 cancer cases in the State each year, and the bill’s exemption presumably also applies to registered owners of out-of-state vehicles who travel to the State for cancer treatment. If even a small percentage of these individuals have their video tolls waived during weekly or monthly travel for cancer treatment, the revenue loss for MDTA could total hundreds of thousands of dollars annually. A more precise impact, however, cannot be reliably estimated without actual experience under the bill.

Administrative Expenditures

In order to be eligible for a waiver under the bill, the registered owner of the vehicle must send specified medical information to MDTA for each video toll for which a waiver is sought; MDTA needs to review this documentation to determine eligibility and then process the waivers. Existing staff cannot handle the resulting increase in workload. Therefore, nonbudgeted expenditures for MDTA increase by at least \$77,674 in fiscal 2027, which accounts for the bill’s October 1, 2026 effective date. This estimate reflects the cost of hiring one administrator to review and process the documentation submitted for video toll waivers under the bill. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$68,533
Operating Expenses	<u>9,141</u>
Minimum FY 2027 State Expenditures	\$77,674

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses. Depending on the number of waiver requests submitted to MDTA in any given year, additional staff may be required; accordingly, nonbudgeted expenditures may increase further.

Trust Agreement

MDTA advises that the bill may violate its [trust agreement](#) with its bondholders because the trust agreement disallows any free vehicular passage at MDTA's facilities except for vehicles of the following entities:

- officials and employees of the executive, legislative, and judicial departments of the State while they are in the discharge of their official duties;
- members, officers, and employees of MDTA while they are in the discharge of their official duties;
- any fire or police department of the State or any political subdivision while operated in the discharge of official duties;
- ambulances owned or operated by a nonprofit organization while operated in the discharge of their duties; and
- agents and independent contractors that are used in connection with maintenance or operation of MDTA highway projects, as specified.

As a result, MDTA could be sued by its bondholders, incur potentially significant legal costs, and, depending on the results of the lawsuit, its operations and finances could be significantly affected. Any such impact, however, cannot be predicted without actual experience under the bill.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Maryland Transportation Authority; Johns Hopkins Medicine; Department of Legislative Services

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