

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 246 (Chair, Environment and Transportation Committee)(By
Request - Departmental - Transportation)
Environment and Transportation

Video Tolls - Class G (Trailer) Vehicles - Liability

This departmental bill makes the registered owner of a Class G (trailer) vehicle that uses the Maryland Transportation Authority’s (MDTA) transportation facilities projects liable for the payment of a video toll assessed at the time of passage through a toll collection facility. The bill makes a series of changes to ensure that existing laws related to the collection of video tolls and civil penalties from registered owners of motor vehicles, and related processes, requirements, and limitations, apply to registered owners of Class G (trailer) vehicles. **The bill takes effect January 1, 2027.**

Fiscal Summary

State Effect: Nonbudgeted revenues for MDTA increase significantly, potentially by millions of dollars annually, beginning in FY 2027, as discussed below. Special fund revenues and expenditures for the Central Collection Unit (CCU) and general fund revenues increase to the extent that additional debt is referred to CCU, as discussed below. General fund expenditures for the Judiciary are not anticipated to be materially affected, as discussed below.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: The Maryland Department of Transportation (MDOT) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary: The bill makes the following changes to provisions governing the collection of video tolls by MDTA from registered owners of motor vehicles that use its transportation facilities projects to make them applicable to registered owners of Class G (trailer) vehicles:

- various definitions are expanded to include Class G (trailer) vehicles;
- the registered owner of a Class G (trailer) vehicle generally must be liable to MDTA for payment of a video toll as provided in MDTA regulations;
- processes related to the issuance of a “notice of toll due” apply to the registered owner of a Class G (trailer) vehicle;
- provisions that prohibit the registered owner of a motor vehicle from being penalized multiple times for the same violation also apply to the registered owner of a Class G (trailer) vehicle and a motor vehicle towing a Class G (trailer) vehicle;
- processes and requirements related to citations that may be issued and civil penalties that may be imposed when tolls are not paid apply to Class G (trailer) vehicles, as do provisions relating to trials;
- provisions that specify an adjudication of liability for a toll violation may not be deemed a conviction of a registered owner of a motor vehicle under the Maryland Vehicle Law also apply to the registered owner of a Class G (trailer) vehicle;
- provisions that address liability for a toll when a vehicle is operated by a person other than the registered owner, a vehicle is being leased, a vehicle is operated using a dealer or transporter registration plate, or a vehicle has been reported stolen also apply to a Class G (trailer) vehicle;
- provisions that require the Motor Vehicle Administration (MVA) to refuse to register or suspend a registration for certain toll violations also apply to a Class G (trailer) vehicle; and
- MDTA’s authority to refer delinquent accounts for unpaid video tolls and associated civil penalties to CCU for collection also applies to tolls and penalties imposed on a Class G (trailer) vehicle.

The bill also specifies that the owner of the motor vehicle (and not the owner of the Class G (trailer) vehicle) is liable for a video toll, under specified circumstances, when a Class G (trailer) vehicle uses a toll facility but is being towed by a person who is not the registered owner of the Class G (trailer) vehicle.

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 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.

Additionally, Chapter 527 of 2025 requires 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 to CCU.

Vehicle Registration

The Maryland Vehicle Law requires that each motor vehicle, trailer, semitrailer, and pole trailer driven on a highway must be properly registered. The Maryland Vehicle Law includes various exceptions to the registration requirement. For example, registration is not required for a farm tractor, a towed vehicle that is properly attached to a towing vehicle, or a vehicle owned by a new resident of Maryland during the first 60 days of residency, as specified.

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.

Background: In order to issue a notice of toll due when a vehicle fails to pay when using a toll facility, MDTA's video tolling systems must be able to capture an image of either the front or rear license plate of the vehicle. MDOT advises, however, that in cases where the front license plate of a motor vehicle is missing or obscured and the rear license plate is blocked due to a trailer, MDTA has no legal recourse for recouping the lost toll revenues, as current law does not allow MDTA to issue a notice of toll due to the registered owner of the Class G vehicle (trailer) that is attached to the motor vehicle. MDOT advises that the issue is common for many out-of-state commercial vehicles, because some surrounding states do not require a front-mounted license plate for motor vehicles.

The bill is intended to enable MDTA to issue a notice of toll due to the registered owner of the trailer, thereby improving MDTA's collection efforts and revenue attainment. MDOT notes that the bill allows the transfer of liability for the toll payment in the event that the registered owner of the trailer is not the same person who was towing the trailer.

State Fiscal Effect:

Maryland Transportation Authority

Nonbudgeted revenues for MDTA increase significantly beginning in fiscal 2027, potentially by millions of dollars annually, as MDTA begins to collect tolls (and civil penalties for unpaid tolls) from vehicles that it otherwise would not have been able to under current law.

For illustrative purposes, MDTA estimates that, had the bill been in effect in calendar 2025, during which approximately 500,000 commercial vehicle toll transactions were dismissed due to MDTA's inability to issue a notice of toll due to owners of Class G (trailer) vehicles in cases where there was an obscured or missing front-mounted license plate on the motor vehicle towing the trailer, it could have collected as much as an additional \$11.0 million in video tolls. MDTA's estimate assumes an average toll rate of \$24.83 for such vehicles (as toll rates are generally based on the number of axles per vehicle) and a collection rate of 88%. This does not include any additional revenue that MDTA would have collected from civil penalties assessed for unpaid video tolls.

Central Collection Unit

As noted above, outstanding toll and penalty debt is referred to CCU for collection, and CCU charges an administrative fee on collected debt to pay for its operations. Because the bill explicitly authorizes MDTA to refer delinquent accounts to CCU for Class G (trailer) vehicles, which are not subject to video tolls or penalties under current law, the total number of delinquent accounts referred to CCU by MDTA is anticipated to increase under the bill.

Therefore, special fund revenues and expenditures for CCU increase beginning in fiscal 2027 as additional debts are referred by MDTA. Additionally, general fund revenues increase because CCU reverts a portion of the 17% fee it collects on outstanding debt back to the general fund. Any such impact, however, cannot be reliably estimated without actual experience under the bill.

District Court

It is anticipated that any additional workload resulting from the bill does not materially affect general fund expenditures for the District Court.

The Judiciary advises that the significant expansion of automated enforcement systems in the State in recent years, including the automated systems used by MDTA for tolling, necessitates an upgrade to its case management system to improve citation intake and payment processing. For locally operated automated enforcement systems, the District Court administers citations and the payment of fines from contested citations only. For automated enforcement systems operated by a State agency, the District Court administers citations and the payment of fines for both contested and uncontested citations. The court currently processes these citations through a manual workflow that has struggled to keep pace with the expansion of automated enforcement systems. The Judiciary estimates the cost of an IT upgrade to automate the process at approximately \$1.4 million; additional staffing costs may also be incurred.

However, because the Judiciary's need is not exclusively attributable to the bill, but rather due to the general expansion of automated enforcement systems, these costs are not reflected in this analysis.

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; Judiciary (Administrative Office of the Courts); Department of Legislative Services

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jg/lgc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL:

Transportation – Allowing the Maryland Transportation Authority to Notice the Registered Owner of a Class G (Trailer) Vehicle Classified as Freight or Nonfreight

BILL NUMBER: HB246

PREPARED BY: Maryland Transportation Authority

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

_ _ WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS