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DEPUTY MAJORITY WHIP

Appropriations Committee

Chair
Oversight Subcommittee on Personnel

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Joint Committee on the
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 27th, 2019

HB 1531 State Finance and Procurement - Central Collection Unit - Powers

Honorable Chair McIntosh, Vice-Chair Jackson, and Esteemed Members of the Committee,

I am happy to introduce to you HB 1531 State Finance and Procurement – Central Collection Unit – Powers. This bill simply reduces the State’s Central Collection Unit’s (CCU) collection fee from a high 17% to a more modest 5% fee. This will address the high costs levied on struggling individuals and working families that owe debt (other than overdue taxes) to the State.

Families across our state are struggling as these costs continue to rise. Individuals fall behind on their financial obligations and owe a debt to the state. These debts take many forms: including video tolls, tuition and fees at State schools, fines for lapsed auto insurance, and more. As the costs of housing, healthcare, college, and consumer debt increase, while wages remain stagnant, poverty is increasing. A recent Federal Reserve report found that 40% of Americans don’t have \$400 in savings to cover an unexpected expense. In 2018, the United Way’s ALICE (Asset Limited, Income Constrained, Employed) report found that the number of Maryland households that cannot meet their basic needs increased 22% between 2010-2016¹.

These individuals should repay the state for the debt that they owe. At the same time, we, as policymakers, should do what we can to ensure the debt is repaid in a way that doesn’t push these families into deeper poverty, or make it more difficult for them to maintain their current financial obligations while repaying the debt they owe the state.

Thank you for your consideration,

A handwritten signature in cursive script that reads "Pat Young".

Delegate Pat Young, 44B

¹ https://www.uwcm.org/main/wp-content/uploads/2018/09/18_UW_ALICE_Report_MD_Refresh_9.11.18_Lowres.pdf