



Larry Hogan
Governor
Boyd K. Rutherford
Lt. Governor
Gregory Slater
Acting Secretary

February 6, 2020

The Honorable Kumar Barve
Chairman, Environment and Transportation Committee
251 House Office Building
Annapolis MD 21401

Re: Letter of Opposition – House Bill 38 – Vehicle Laws – Failure to Pay Video Toll – Reform of Penalties

Dear Chairman Barve and Committee Members:

The Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) respectfully opposes House Bill 38 as it would remove one of the more effective toll violation enforcement mechanisms in place for the MDTA, similar to all local jurisdictions for traffic violations. For Maryland drivers, House Bill 38 will prolong the amount of time customers have to accumulate toll debt, leading to higher debts before cases are resolved.

Over the last few years, the MDTA has taken significant steps to improve its customer service, especially in the area of helping customers resolve their toll debt. MDOT and MDTA supported legislation in 2018 that expressly granted the MDTA broad authority to recall a delinquent account from CCU. The General Assembly also passed legislation that now allows the MDTA to contract with a private debt collector to assist in collecting tolls and civil fines owed by individuals who do not reside in Maryland. The MDTA is committed to responding to customers and resolving any outstanding EZ-Pass® concerns.

House Bill 38 proposes to reduce the civil fine for individuals who fail to pay a Notice of Toll Due (NOTD) from \$50 per transaction to \$5 per transaction. The bill also repeals the requirement for the Maryland Department of Transportation Motor Vehicle Administration (MDOT MVA) to suspend the registration of a vehicle for failure to pay a NOTD.

When a customer passes through a toll facility and fails to pay via cash or electronically with an E-ZPass® transponder, images are captured of both the front and rear license plates of the vehicle. The images are reviewed so that the vehicle is either matched with an existing E-ZPass account or the registered owner is mailed a video toll invoice (Notice of Toll Due or NOTD) at the address on file with MDOT MVA. This is not a fine or citation, but rather another way for customers to pay a toll who do not have an E-ZPass or, as MDTA moves to its next generation of tolling, chooses to register their vehicle and utilize Pay-by-Plate.

In 2013, the Maryland General Assembly passed new legislation establishing a civil citation process to help the State collect unpaid video tolls (see Chapter 113, Acts of 2013). The ability to flag or suspend the registrations of motorists who continue to ignore their bills - even after ample time to pay - gives the MDTA the tool it needs to collect unpaid Video Tolls.

In the past, the legislature has considered numerous proposals to lower the civil penalty to \$25. A primary concern from legislators was protecting individuals who used an all-electronic toll facility for a few days, unaware of the toll. In Governor Hogan's desire to cooperate with the legislature and reduce tolls and fines, he tasked the MDTA Board to develop a plan that would reasonably reduce civil penalties while maintaining equity and fairness for those who pay their tolls as required.

In November 2018, the MDTA Board adopted a two-tier video toll civil penalty structure of \$25 for five or less transactions and \$50 for six or more transactions. By enacting a two-tiered civil penalty structure, which is scheduled to be implemented in the second quarter of FY 2021, the MDTA is able to provide toll violation relief to customers who act in good faith (i.e., customers who simply made an honest mistake and who are willing to pay their tolls) without rewarding habitual offenders (i.e., toll violators who intentionally evade paying their tolls regardless of notification). It should also be noted that for those offenders who make honest mistakes, the MDTA often waives civil penalties.

The proposed legislation also repeals the requirement that MDOT MVA suspend the registration of a motor vehicle that incurs a toll violation for failing to pay tolls and civil penalties. The ability to flag or suspend a vehicle owner's registration for non-renewal is an important tool that helps to address habitual toll evaders. By the time a request is made to suspend a vehicle registration, the vehicle owner has received numerous notices of the toll amount due, including the opportunity to contest the case in the District Court. In the MDTA's experience, individuals with high toll debt will continue to amass multiple fines for failing to pay tolls. This is precisely what the 2013 legislation addresses. Consequently, repealing the MDTA's ability to suspend the vehicle registration when an individual has reached the \$1,000 threshold will only exacerbate the outstanding amount of toll debt owed and the likelihood that the customer's account will be referred to CCU.

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Finally, it is important to remember that since 1971, the MDTA has been responsible for constructing, managing, operating and improving the State's eight toll facilities, as well as for financing new transportation projects under its purview (such as the Harry W. Nice/Senator Mac Middleton Bridge in Charles County). In accordance with MDTA's Trust Agreement with bondholders, toll revenues are first pledged to pay debt service for bonds that are used to fund major transportation projects at existing and new facilities. The MDTA is governed by a 9-member board of directors with the Secretary of Transportation serving as Chair. The organization is entirely reliant on tolls collected from its users as the MDTA does not receive any state General Fund or Transportation Trust Fund dollars.

For these reasons, the Maryland Department of Transportation respectfully requests that the Committee grant House Bill 38 an unfavorable report.

Respectfully submitted,

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