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Health and Government Operations
Committee

Subcommittees
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The Maryland House of Delegates
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**Sponsor Testimony in SUPPORT of House Bill 38
Vehicle Laws - Failure to Pay Video Toll - Reform of Penalties
Before the Environment & Transportation Committee
February 6, 2020**

Under House Bill 38, video toll late fees (civil penalties) would be limited to \$5. Suspension of a vehicle registration for toll debt would no longer be permissible, but flagging for non-renewal would still be allowed. The bill includes an optional retroactive fee reduction.

Under current law, the fee for failure to pay a mailed video toll within 30 days is \$50. People receiving notices of video toll late fees have the option to contest them in court. 44,000 people did so in fiscal year 2018. If the fines and underlying tolls are unpaid, MDTA will suspend or flag the registration for non-renewal and refer the debt to the Central Collections Unit (CCU). CCU adds a 17% surcharge on the total amount owed. They may refer the debt to a private collection company and can garnish the person's income tax refund.

In fiscal year 2018, there were 2 million video toll late fees incurred in Maryland for a total of \$100 million.

Under pressure from the House of Delegates, the MDTA in late 2018 committed to reduce late fees to \$25 - but only for the first 5 transactions. And only after the new E-ZPass vendor is in place - currently estimated to be fall 2020. But \$25 late fees are still excessive.

HB38 seeks to move Maryland toward a better cashless toll policy that has been successfully implemented in other states. Massachusetts went fully cashless in 2016. They have the best performance in the industry - using modest late fees on mailed tolls (\$1 after 30 days, another \$1 after 60 days), and then flagging tags for non-renewal, if still unpaid. They also have reciprocity agreements with surrounding states. Pennsylvania has announced plans to go fully cashless by 2021 and will be using a similar model, with late fees on mailed tolls limited to \$5.

Passage of HB38 would solve the problems caused by Maryland's failed cashless toll road policy - clogged courts, increased bankruptcies and delayed revenue. It would put us on par with Massachusetts as a top performer.

I ask for your favorable report.