

HB346__FAV_DeICarr.pdf

Uploaded by: Carr, Al

Position: FAV

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Montgomery County

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Committee

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The Maryland House of Delegates
ANNAPOLIS, MARYLAND 21401

Sponsor Testimony in SUPPORT of House Bill 346
Vehicle Laws - Failure to Pay Video Toll - Penalties
Before the Environment & Transportation Committee
January 14, 2021

House Bill 346 is identical to HB38 which passed the House of Delegates in 2020 thanks to the good work of this committee. Under the bill, suspension of a vehicle registration for video toll debt would no longer be permissible, but flagging for non-renewal would still be allowed.

Suspending vehicle registration for video toll debt contributes to the criminalization of poverty. Maryland is an outlier in allowing this practice. A better practice, used successfully in many states, is to simply flag the registration for non-renewal.

Before 2020, this issue disproportionately affected Montgomery & Prince George's Counties because of the large number of video tolls on the ICC, Maryland's first cashless toll road. But, in 2020, MDTA went fully cashless on all toll facilities. The resulting increase in video toll transactions increases the urgency and makes this more of a statewide issue.

I ask for your favorable report.

HB0346_Favorable_Cristi Demnowicz.pdf

Uploaded by: Demnowicz, Cristi

Position: FAV

January 14, 2021

Bill Number: HB0346

Name: Vehicle Laws - Failure to Pay Video Toll – Penalties

Sponsor: Delegate Al Carr

Position: Favorable

Dear Chair Barve, Vice-Chair Stein, and Members of the Environment & Transportation Committee-

Last year I was happy to support the bill identical to House Bill 346, which had bipartisan support and passed the House of Delegates. Unfortunately due to the pandemic, it did not make it out of the Senate before session was cut short.

Maryland drivers cannot wait another year for this problem to be corrected. Many drivers whose registrations are suspended due to EZ Pass debt are also in other forms of debt, and that number is sadly increasing due to the high unemployment and underemployment rates since Coronavirus drastically changed our employment landscape. The burden of EZ Pass debt, plus the burden, cost, and risk of having a suspended registration, plus the new, life-threatening burden of Coronavirus is placing too many Maryland drivers on path financial destruction.

This may seem like a small issue to those who have been less affected by the Pandemic, but it's a huge issue to much of the working class of Maryland. Respectfully, please move quickly to pass this bill once again, so that Marylander's in distress have one less thing to worry about.

I ask for your favorable report of HB0346.

Sincerely,
Cristi Demnowicz
LD 7

Witness Testimony

Uploaded by: Moore, Tonaeya

Position: FAV



HB 0346 - Vehicle Laws- Failure to Pay Video Toll- Reform Penalties

January 14th, 2021

SUPPORT

Chairmen Barve, Vice-Chair and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 346. This bill addresses consequences on Maryland drivers received through penalty from video toll violations that will exacerbate financial hardships.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Many Marylanders pay to use roads to have access to their jobs, school, and other resources. Tolls can be paid by using E-ZPass, cash, and video tolling when cash is not an option. Cashless tolls do not allow drivers to pay the toll fee while driving. Also, many drivers do not have a bank account linked to refill their E-ZPass or the E-ZPass could malfunction. This means they have to pay the toll through a video toll charge, which is sent through the mail. The problem is that some customers are not receiving the charges through the mail.

The driver is supposed to be notified about the original charge, the failure to pay charge (\$50 per transaction), and then notified before the charges are sent to Maryland's Central Collection Unit (CCU). Another fee is added to the total amount sent to CCU. Once the fee is at CCU, there has to be an initial down payment made before being allowed to enter into a payment plan. Some people do not receive these notices for various reasons. This means that for some drivers, they do not know what they owe until their balance is at CCU. This leaves them in tremendous debt with limited options.

The practice of suspending motor vehicle registration is harmful to drivers in many aspects. It will limit their access to healthcare, education, food, and other resources. This punishment limits a workers' ability to go to work. This will in turn limit that worker's ability to pay their fines.

This bill addresses this by:

- repealing the requirement that the Motor Vehicle Administration, under certain circumstances, suspends the registration of a motor vehicle that incurs a certain toll violation.

For these reasons, we encourage a favorable report HB 346.

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Uploaded by: Schneiderman, Franz

Position: FAV



Auto Consumer Alliance

13900 Laurel Lakes Avenue, Suite 100
Laurel, MD 20707

**Testimony to the House Environment and Transportation Committee
HB 346 – Vehicle Laws – Failure to Pay Video Toll – Reform of Penalties –
Position: Favorable**

Jan. 14, 2021

The Honorable Kumar Barve
Environment and Transportation Committee
Room 251, House Office Building
Annapolis, MD 21401
cc: Members, Environment and Transportation Committee

Honorable Chair Barve and Members of the Committee:

I'm a consumer advocate and Executive Director of Consumer Auto, a group that brings together consumer-friendly auto dealers and consumer advocates to work for safety, transparency, and fair treatment for Maryland drivers and car buyers.

Consumer Auto supports **HB 346** because we believe Maryland's existing practice of suspending vehicle registrations over relatively small toll debts is unduly punitive – especially for lower-income drivers who can quickly fall into debt traps as a result of Maryland's high fines and aggressive collection practices. Discontinuing the practice of suspending registrations as a result of those fines would relieve some of that pressure – and also prevent some of those who struggle to pay these fines from facing still greater legal difficulties as they continue to drive (on suspended tags) to get to work and meet their other needs.

These suspensions impact a great many Marylanders. Between 2015 and 2018, the MdTA put a hold on the renewal of vehicle registrations of more than 207,000 Marylanders and about 22,000 Marylanders had their vehicle tags suspended because of toll violations. The state's move to all-cashless tolling will very likely result in more fines assessed to those (often lower-income Marylanders) who lack an EZ Pass transponder – or as a result of EZ Pass system failure, slow EZ Pass billing, or drivers neglecting to properly replenish their accounts.

For too many Marylanders, these fines quickly become a kind of financial quicksand. They create a debt trap and a threat to the vehicle registrations they need to maintain to be able to get to work, pursue their education, or access the services and supports they and their families need.

Only eight states now suspend or revoke vehicle registrations for outstanding toll violations. Maryland can provide relief to hard-pressed residents by reducing our civil fines for toll violations and joining the 42 states that DO NOT suspend or revoke registrations for toll fines.

I urge you to give a **FAVORABLE** report to **HB 346**.

Sincerely,

Franz Schneiderman
Consumer Auto

HB0346 - MDTA - Failure to Pay Video Toll - LOI_FI

Uploaded by: Helm, Pilar

Position: INFO

January 14, 2021

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

Re: Letter of Information – House Bill 346 – Vehicle Laws – Failure to Pay Video Toll – Penalties

Dear Chairman Barve and Committee Members:

The Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) provides the following letter of information regarding House Bill 346. House Bill 346 proposes to repeal the requirement for the Maryland Department of Transportation Motor Vehicle Administration (MDOT MVA) to suspend the registration of a vehicle for failure to pay outstanding tolls and civil penalties. For Maryland drivers, this could result in a disadvantage by prolonging the amount of time customers have to accumulate toll debt, leading to higher debts before cases are resolved.

The MDTA operates the toll facilities in Maryland, with tolls being collected through a combination of electronic toll collection and video toll collection. When a customer passes through a toll facility and fails to pay an electronic toll with an *E-ZPass* transponder, video images are captured of the vehicle license plate. 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 the MDOT MVA. The NOTD is not a fine or citation, but rather a way for non-*E-ZPass* customers to pay a toll.

Existing statute provides three measures designed for recouping past due tolls – civil penalties, flagging or suspending vehicle registrations, and referrals to the Central Collection Unit (CCU). A motorist will only receive a citation if they fail to pay a NOTD within 45 days. A motorist must pay the citation (the toll and penalty) in the allotted timeframe or contest the toll in court. If a person (1) fails to elect to stand trial or pay the prescribed video toll and civil penalty, (2) is adjudicated to be liable after trial, or (3) fails to appear at a trial after having elected to stand trial, the MDTA may refer the case to the MDOT MVA for suspension of or refusal to renew the vehicle's registration.

The MDTA is committed to responding to customers and resolving any outstanding *E-ZPass* concerns. Over the last few years, the MDTA has taken significant steps to improve its customer service, especially in assisting customers with resolving their toll debt. To both work with the requests of the Legislature and meet Governor Hogan's goal of reducing tolls and fines, the MDTA Board developed a plan that reduces civil penalties while maintaining equity and fairness

for those who pay their tolls as required. In March 2020, the MDTA Board unanimously voted to lower the civil penalty for all toll violations to \$25, which took effect on July 1, 2020.

In 2018, MDOT and MDTA supported legislation that granted the MDTA broad authority to recall a delinquent account from CCU. The General Assembly also passed legislation that 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. A Request for Proposals (RFP) is expected in 2021 to move that effort forward.

It has been demonstrated that individuals with high toll debt will continue to amass multiple fines for failing to pay tolls. Consequently, repealing the MDOT MVA'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, increasing the likelihood that the customer's account will be referred to CCU, where they will be charged the additional 17% collection fee. Furthermore, MDTA's ability to work directly with the customer to resolve their outstanding debt is greatly limited after referral to CCU. The current system in place serves, not only as an incentive to pay tolls in a timely manner, but also functions as an opportunity for customers to pay their debt before being faced with additional charges.

House Bill 346 would eliminate the opportunity to interact with customers who have unpaid toll debts. 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 District Court. Since 2014, the MDTA has recouped \$30 million in outstanding unpaid tolls and penalties as a result of the program and customers' awareness of the program. Customers often seek early resolution of unpaid tolls and penalties with MDTA to avoid escalation to the registration suspension program.

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

The Honorable Kumar Barve
Page Three

The Maryland Department of Transportation respectfully requests the Committee consider this information as it deliberates House Bill 346.

Respectfully submitted,

Bradley Ryon
Manager, Government Relations
Maryland Transportation Authority
443-915-0017

Pilar Helm
Director of Government Affairs
Maryland Department of Transportation
410-865-1090