

# **SB434-King-Sponsor Testimony.pdf**

Uploaded by: Horton, Patty

Position: FAV

**NANCY J. KING**  
*Legislative District 39*  
Montgomery County

MAJORITY LEADER



James Senate Office Building  
11 Bladen Street, Room 121  
Annapolis, Maryland 21401  
301-858-3686 • 410-841-3686  
800-492-7122 Ext. 3686  
Fax 301-858-3670 • 410-841-3670  
Nancy.King@senate.state.md.us

**THE SENATE OF MARYLAND**  
ANNAPOLIS, MARYLAND 21401

**SPONSOR STATEMENT**

**Senate Bill 434 – Vehicle Laws – Failure to Pay Video Toll – Outstanding Fines**

February 10, 2021

Mister Chairman and Members of the Judicial Proceedings Committee:

In March of 2020, the MDTA board unanimously voted to reduce the civil penalty for toll violations from \$50 to \$25. This reduction took place on July 1, 2020. In their reasoning for reducing the fine, the MDTA indicated that the reduced penalty is more closely aligned with the costs that are incurred by the Department to process toll violations.

With the introduction of cashless tolling, and the recent increase of cashless tolling in the state, there is an increase in the number of video toll invoices being mailed to registered owners of cars that pass through the our state's tolls. Motorists have 45 days from the date of the invoice to pay the toll. If the toll is not paid in that timeframe, the invoice is increased now by \$25. Again, prior to July 1, 2020, that invoice was increased by \$50. So a toll that was only \$3, was then \$53.

In 2019 there were 923,583 civil penalties assessed and 510,523 of those penalties are still outstanding. The high penalty is clearly an impediment in collecting the fines and is a huge financial burden, especially for low income residents. Senate Bill 434 will reduce the outstanding civil penalty for toll violations that were assessed on or before July 1, 2021 from \$50 to \$25.

Many Maryland families are struggling financially. The pandemic has increased those numbers. Reducing these fines will help families to pay their debt or allow them to gradually pay off what is now an insurmountable debt.

I respectfully request a favorable report on Senate Bill 434.

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Uploaded by: Schneiderman, Franz

Position: FAV



## Auto Consumer Alliance

13900 Laurel Lakes Avenue, Suite 100  
Laurel, MD 20707

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**Testimony to the House Environment and Transportation Committee  
SB 434 – Vehicle Laws – Failure to Pay Video Toll – Outstanding Penalties –  
Position: Favorable**

Feb. 10, 2021

The Honorable Will Smith  
Judicial Proceedings Committee  
2 East, Miller Senate Building  
Annapolis, MD 21401  
cc: Members, Judicial Proceedings Committee

**Dear Chairman Smith and Committee Members,**

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 **SB 434** because it would provide needed relief to many Marylanders – including many lower-income Marylanders – who incurred substantial debts as a result the \$50 toll violation fines Maryland was assessing until the state acted to cut those fines in half last year.

Lower-income Marylanders are more likely than other residents to lack an EZ pass transponder, or to need to replenish their EZ pass accounts regularly because they don't have a credit card that can pay those fees automatically, or to struggle to pay the bill for toll fees sent through the mail. As a result, those toll violations fines have fallen disproportionately on those least able to pay the toll-by-mail fees and the fines for not paying those fees.

The \$50 toll violation fees thus became a debt trap for many lower-income Marylanders. Continuing to seek to collect the full fees – and additional collection costs – on the more than \$320 million in outstanding debts for those fines would impose further serious financial strains on thousands of struggling Marylanders.

Cutting the outstanding fees to \$25 would ease that burden, at least to some extent. It would also bring the outstanding fines more fairly in line with the fairer \$25 fines the state is now charging for such violations.

I urge you to give a **FAVORABLE** report to **SB 434**.

Sincerely,

Franz Schneiderman  
Consumer Auto

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Uploaded by: Stern, Isadora

Position: FAV



Maryland Consumer Rights Coalition

**Testimony to the Senate Judicial Proceedings Committee**  
**SB 434: Vehicle Laws-Failure to Pay Video Tolls- Outstanding Fines**  
**Position: Favorable**

February 10, 2021

The Honorable William C. Smith, Jr., Chair  
Judicial Proceedings Committee  
2 East, Senate Office Building  
Annapolis, MD 21401  
cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of SB 434.

In 2018, MCRC released a research report, *No Exit: How Maryland's Debt Collection Practices Deepen Poverty & Widen the Racial Wealth Gap*, which details the fines and fees that derail the efforts of low-income Marylanders to gain a stronger economic foothold and achieve financial stability. Our report found that in recent years as electronic-tolling has grown in popularity, state-owed debt related to electronic-tolls and their associated civil penalties has grown exponentially.

Our research found that these tolls fell disproportionately on unbanked and underbanked Maryland drivers and that the toll amount resulted in severe economic hardship for many individuals. Several individuals declared bankruptcy due to the cost of mounting tolls.

Today, many Maryland families are suffering with the twin crises of the pandemic and economic recession. Many households are financially fragile at this time and are struggling to keep their homes, keep food on the table, and pay medical bills. In 2018, the video toll costs penalized the poor and exacerbated a vicious cycle of poverty.



Maryland Consumer Rights Coalition

Now, these tolls seem even more burdensome and punitive. Reducing the toll from \$50 to \$25 is the right thing for Maryland to do. As noted last year, Massachusetts charges \$5 per violation. Reducing these outstanding fines from \$50 to \$25 is a sensible response for Maryland drivers.

For all these reasons, we support SB 434 and urge a favorable report.

Sincerely,

Marceline White  
Executive Director