



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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Lieutenant Governor

DAVID R. BRINKLEY
Secretary

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Deputy Secretary

HOUSE BILL 38 Maryland Transportation Authority – Video Tolls – Collection (Healey)

STATEMENT OF INFORMATION

DATE: March 24, 2022

COMMITTEE: Senate Budget & Taxation

SUMMARY OF BILL: HB 38 prevents the Central Collections Unit (CCU) from collecting unpaid video tolls and associated civil penalties that are recalled by Maryland Transportation Authority (MdTA); gives MdTA authority to recall delinquent video toll debt and associated civil penalties that exceed \$300 and was assessed within 30-days of the violation occurring and mitigating factors exist, as determined by MdTA; and gives MdTA authority to waive any portion of the video toll due or civil penalty assessed.

EXPLANATION: The Central Collections Unit (CCU) is a self-funded state agency within the Department of Budget and Management and is responsible for the collection of delinquent State-owed debt. CCU assesses a 17% collection fee on delinquent debts to cover its operational expense. CCU, therefore, does not receive General Funds and only recovers this fee through payment (voluntary and involuntary) from the debtor.

Much of the Maryland Transportation Authority's (MdTA) E-ZPASS debt, which is the subject of this legislation, has been in active collection since 2016, with CCU having spent significant funds on IT, billing, call centers, and staffing to properly pursue this debt collection. Any debt recalled from CCU by MdTA results in CCU losing money associated with the costs incurred for debt collection prior to recall, thereby disrupting CCU's business model as a self-funded agency.

Once debts are assigned to CCU, they should not be recalled by MdTA or, at least, not without allowing CCU to recover its collection fee.

**For additional information, contact Barbara Wilkins at
(410) 260-6371 or barbara.wilkins1@maryland.gov**