

**Testimony to the Senate Budget and Taxation Committee
HB0038: Maryland Transportation Authority - Video Tolls - Collection
Position: Favorable**

March 24, 2022

The Honorable Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401
cc: Members, Budget and Taxation Committee

Honorable Chair Guzzone and Members of the Committee:

We are writing today in support of HB0038

In 2013, in pursuit of the worthy goal of addressing unpaid tolls, the General Assembly passed a law which created a collections structure for unpaid E-ZPass tolls. Maryland's infrastructure funding mechanism is, in part, based on drivers supporting highway maintenance through modest, usage-based tolls. However, the law has led to a classic example of unintended consequences.

The fine for failing to pay a toll is \$25 – which can be 8 or more times the cost of the original toll. If unpaid, the fine is referred to the Central Collections Unit (CCU) where it begins to accrue interest. Bills sent to the CCU can be pursued through many means, including court action, wage garnishments and interception of payments from state and federal agencies. The CCU may also report unpaid debt to credit bureaus, and depending on the size of the debt, vehicle registration may be flagged for non-renewal or suspension.¹ Many of these consequences make it even more challenging for consumers to pay their delinquent bills.

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. Video toll costs penalize the poor and exacerbate a vicious cycle of poverty.²

HB0038 would authorize the Maryland Transportation Authority (MDTA) to recall a delinquent account that exceeds \$300 in unpaid video tolls from the CCU and prohibit the CCU from collecting that debt once it is recalled. This would give the MDTA the authority to waive unpaid tolls and associated penalties.

MCRC supports legislation that aims to reduce the number of residents with delinquent unpaid video tolls and related civil penalties. For all these reasons, we support HB0038 and urge a favorable report.

Sincerely,

Isadora Stern
Policy Associate

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[https://driveezmd.com/acct-types/video-tolling-faq/#:~:text=A%20%2425%20civil%20penalty%20will,Central%20Collection%20Unit%20\(CCU\).](https://driveezmd.com/acct-types/video-tolling-faq/#:~:text=A%20%2425%20civil%20penalty%20will,Central%20Collection%20Unit%20(CCU).)

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https://static1.squarespace.com/static/5b05bed59772ae16550f90de/t/61e0ace0126a434a26bcf3f4/1642114273947/No_Exit_Report.pdf

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