

JOTF JOB OPPORTUNITIES TASK FORCE

Advocating better skills, jobs, and incomes

TESTIMONY IN SUPPORT OF House Bill 38:

Maryland Transportation Authority - Video Tolls - Collection

TO: Hon. Kumar P. Barve, Chair, and members of the House Environment and Transportation Committee

FROM: Caleb Jasso, Policy Advocate

DATE: March 3, 2022

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-skill, low-wage workers and job seekers in Maryland. We support **House Bill 38** as a means to reestablish that the Maryland Transportation Authority (MDTA) has the ability to recall a delinquent account from the Central Collections Unit (CCU) and waive any outstanding tolls and associated charges, and, to prohibit the CCU from collecting on a delinquent account that has already been recalled by MDTA - this being a continuation of **House Bill 973, Chapter 547**, of 2018 regular session.

At the moment, the official MDTA [website](#) states that, “video toll rates at all Maryland toll facilities are 1.5 times the Cash/Base Rate, with a minimum of \$1 and a maximum of \$15 above the Cash/Base Rate.” With the onset of the COVID-19 pandemic, and the many shifts in administrative services that took place as a result, the problems surrounding video toll payments became exacerbated due to the deferment of payment collection and the lack of notification that drivers were still being charged for toll use. Currently, CCU is responsible for collecting any delinquent accounts or debts owed to the State and has the flexibility to collect in any manner available under State law - these include automated and manual efforts, as well as a private collection agency. Coupled with the varying administrative fees associated with CCU collection, being authorized to charge up to 20%, those who accrue toll violations and their associated fees, continually find themselves in severe financial hardship; many times, without having proper notice of the missed payments.

A report by MDTA demonstrated that during the first 13 months that Chapter 547 was in effect, this range being from 1 month of fiscal year 2018 and all of fiscal year 2019, MDTA recalled from CCU approximately **\$6.5 million in outstanding toll violation debt**. Of that total, approximately **\$1.0 million** was collected, approximately **\$5.4 million was waived**, and approximately **\$90,000** is still outstanding. Additionally, the policies implemented during the COVID-19 pandemic, especially the deferment of payments, has not only allowed the problem to grow, but has simultaneously highlighted the importance of **House Bill 38**, and the assurance that it provides to Marylanders that they will have options to settle their outstanding toll violations without the fear of losing their financial stability, having their credit score

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be negatively impacted, or losing their driving privileges altogether - an outcome that makes paying off outstanding debt even more difficult.

Discovering that a person has accrued massive amounts of debt due to toll violations has forced many to declare personal bankruptcy or spend a significant amount of their lives in a form a toll debtor prison because of small penalties, fraud alerts on credit cards, which make payment even more difficult, and administrative problems that perpetuate the cycle, and has detrimental effects on personal credit scores which disproportionately impact low-income individuals. For these reasons, we urge a favorable vote on **House Bill 38**.

For more information, contact:

Caleb Jasso / Policy Advocate / caleb@jotf.org / 626-224-3543