



# Maryland

DEPARTMENT OF BUDGET  
AND MANAGEMENT

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## **HOUSE BILL 175 Maryland Transportation Authority – Program for Payment of Unpaid Video Tolls (Krimm)**

### **STATEMENT OF INFORMATION**

**DATE: March 3, 2022**

**COMMITTEE: House Environment & Transportation**

**SUMMARY OF BILL:** HB 175 establishes a two-year program that requires the Maryland Transportation Authority (MdTA) to establish a program to reduce the delinquent video tolls and associated penalties of Maryland residents; MdTA is to waive 70% of the delinquent tolls and penalties that became delinquent before July 1, 2022; Maryland residents must obtain and maintain an E-ZPass until June 30, 2024 and pay the remaining balance of the delinquent account owed, after subtracting the waived amount and any Central Collection Unit (CCU) fee, within 6 months of having the 70% delinquency waived. The Program sunsets on June 30, 2024.

**EXPLANATION:** 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.

CCU currently has an inventory of approximately three million in-state delinquent toll violations with a value of \$192.5 million. Pursuant to the legislation, CCU would end all collection efforts on this inventory for the period of the program, which would require substantial IT efforts to accomplish. Much of this inventory has been in active collection, with CCU spending significant amounts on IT, billing, call center operations, and staffing to properly pursue collection efforts. Of the \$192.5 million outstanding delinquent debt, approximately \$33.2 million represents uncollected fees that CCU would be unable to recover. A portion of this amount would have to be recovered through a General Fund subsidy.

**For additional information, contact Barbara Wilkins at  
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