



## **TESTIMONY IN SUPPORT OF HB1001**

### **Baltimore City - Workforce Development - Auto Insurance Subsidies**

TO: Members of the House Economic Committees

FROM: Cornerstone Full Gospel Church - Department of Community Engagement

Cornerstone Full Gospel Church is located in Baltimore (District 46) and we have the stated mission of meeting the physical and spiritual needs of the people while fostering discipleship and new engagement in the building of God's Kingdom. We support(s) HB1001 as a means of increasing transit access for jobseekers in Baltimore, Maryland.

Mobility is key in Maryland's regional economy. The Census Bureau reported that [almost 50% of Marylanders travel outside of their county for employment](#). This statistic is more pronounced for lower-income communities in Baltimore where there is a scarcity of jobs available by public transit. In fact, [only 9% of jobs in the Baltimore region can be reached within one hour, one-way by public transit](#). Thus for economic sustainability, both a vehicle and affordable auto insurance are necessary.

Maryland law mandates that all drivers have auto insurance when operating their vehicles. Specifically, [Maryland Code Ann., Transportation §17-707](#) states that driving without auto insurance in Maryland is a crime punishable by up to (1) one year in jail, a \$1000 fine, or both for the first offense. Yet, the [Insurance Resource Council announced that 14.1% of Maryland's 4.3 million drivers, drive uninsured](#). This means that every day, over 600,000 Marylanders risk incarceration due to the lack of affordable insurance. This occurs because of current Maryland laws that permit insurers to determine eligibility for coverage and insurance premiums based on education, credit history, occupation, and most notably, zip code- **none** of which relate to an individual's driving ability. The Consumer Federation of America (CFA) found that the [Baltimore-Towson Metropolitan Area had the worse racial disparities](#) in the nation, with average premiums in predominantly African American ZIP codes being almost double, or **94 percent higher** than the average premiums in its predominantly white communities. The CFA also found that [State Farm charged Baltimore drivers](#) with poor credit scores an average of **171 percent more** than drivers with excellent credit scores, controlling for all other factors including driving record (\$2,788 vs. \$1,030).

HB1001 is a targeted bill that addresses this issue by allowing an auto insurance subsidy to graduates of Workforce Development Programs in Baltimore City. If someone graduates from a vocational or technical training program in Baltimore City, they will qualify for a \$150 monthly reduction in auto insurance costs for their first year of post-graduation employment. This appropriation is a pilot program that will last for exactly five years, giving the General Assembly a chance to study its impact on Baltimore City's workforce. **Cornerstone Full Gospel Church** sees this as a step in the right direction toward supporting transit access for workers in Maryland. For these reasons and more, we urge a favorable report on HOUSE BILL 1001.