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OFFICE OF THE COMPTROLLER

City Hall – Room 204
100 Holliday St Baltimore, MD 21202

March 7, 2023

The Honorable C.T Wilson, Chairman
Economic matters Committee
Maryland House of Delegates
101 House Office Building
Annapolis MD 21401

Dear Chairman Wilson:

I am writing in support of House Bill 1001: Baltimore City - Workforce Development Automobile Insurance Subsidy Program. HB 1001 would require establish the Baltimore City Workforce Development Automobile Insurance Subsidy Program within the Division of Workforce Development and Adult Learning. The program would provide subsidies for private passenger automobile insurance to eligible graduates; require the Governor to include in the annual budget bill \$5,000,000 for fiscal year 2025 (and each fiscal year thereafter); and require the Department of Labor to annually report to the Governor and the General Assembly certain information about the Program. If passed, this appropriation pilot program would sunset 5 years from FY25 -FY29, ultimately giving the General Assembly a chance to study its impact on Baltimore City's workforce.

Before my election to the Office of Baltimore City Comptroller, I served for thirteen years on the Baltimore City Council. On the City Council, I was a voice for fairness. I have called for more equitable investments to ensure the residents of Baltimore are taken into consideration alongside the development of the City. As Comptroller, I continue to fundamentally change how we view our economy and propose solutions that will yield better outcomes for everyone.

There are a variety of studies examining methods of reducing the number of uninsured motorists; however, few have been created to mitigate the expensive auto insurance pricing that exists in lower-income communities. In 2014, The Maryland Consumer Rights Coalition (MCRC) did a study examining the disparate impact the use of zip code can have on an individual's insurance premiums. The study revealed a single 30-year-old man in Baltimore City pays, on average, \$500 more than he would pay for the same insurance in Montgomery County.

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Furthermore, the study highlights many drivers pay \$150 - \$700 more for car insurance in one neighborhood than they would pay in an adjacent neighborhood in Baltimore. When examining the cost of Geico's insurance rates by zip code, they found (holding all factors constant) a resident of Southwest Baltimore City's zip code of 21223 pays \$674 more for the same coverage than a resident of Baltimore County's 21227 zip code (\$1314 vs. \$640). If the same driver lived in Howard County, her insurance would cost \$400 less than if she moved five miles into Baltimore County. This is primarily because more accidents occur in these areas leading to more claims being taken out increasing the risk pool for other drivers and raising the cost.

House Bill 1001 is a targeted bill that addresses these issues by providing 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 would greatly aid in combatting the harsh monthly expenses of auto insurance for graduate City residents. I see this as a step in the right direction toward supporting not only lower rates for workers, but ultimately transit access for workers in Maryland.

For all these reasons, I respectfully request the committee to give HB 1001 a favorable report. If you have any questions, please feel free to contact me at 410-396-4577 or via email at comptroller@baltimorecity.gov.

Sincerely,



Bill Henry
Baltimore City Comptroller

CC: Delegate Brian M Cosby, Vice Chair, Baltimore City House
Delegation

Nina Themelis, Mayor's Office of Government Relations
Lauron Thomas, Mayor's Office of Government Relations

