
February 16, 2023

The Honorable Kumar P. Barve
Chair, House Environment and Transportation Committee
Room 251, House Office Building
Annapolis MD 21401

RE: Letter of Opposition – House Bill 537 – Motor Vehicle Administration - Fines and Fees - Required Notice

Dear Chair Barve and Committee Members:

The Maryland Department of Transportation (MDOT) respectfully opposes House Bill 537, which establishes burdensome, costly, and redundant requirements of repetitive mailing notices for outstanding fines owed by customers of the Motor Vehicle Administration (MVA).

House Bill 537 would mandate the MVA to mail a notice every 30 days after the initial notice of a fine is assessed. The MVA would be required to provide these notices until the customer has resolved the fine, even if the MVA refers the account to the Central Collections Unit (CCU) after repeated failures to pay.

The MVA presently sends multiple notices to customers at scheduled intervals when fines are assessed. While the specific timeline of how many and when these notices are sent can vary by case, insurance compliance fines, for example, send three written notices by mail in addition to a courtesy email notice for customers who have an email address on file prior to even establishing a case when a cancellation is received from an insurance company. Between February 1, 2021, and February 1, 2023, over 55% of insurance compliance cases were resolved with the first notice. Over 25,000 cases that received a second or third notice before being resolved were attributed to a situation where additional mailed notices would have likely had little effect due to the customer being away from home for an extended period of time or were the result of a death.

Further, once a case is referred to CCU, a customer must arrange payment with the CCU. At this point, the account is transferred to CCU, and the MVA is unable to accept payment. House Bill 537 does not account for this change in ownership and would require the MVA to continue sending notices to customers of their outstanding balances now owed to CCU. This would likely cause great confusion for customers now receiving notices from two entities about the same balance and could result in customers contacting the MVA to try and make payment on an account now solely managed by CCU.

Finally, House Bill 537 would impose an enormous financial burden on the MVA. It would require the administration to mail out additional notices at a cost of almost \$3.2 million per year. By comparison, insurance compliance fines have over 70% of cases assessed to a customer with an email account on file with the MVA. The MVA regularly modifies the number and timing of

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notices to customers to respond to changing environment and customer feedback. By allowing the administration to utilize a suite of communication tools, such as electronic mail, the MVA would have flexibility to send a higher frequency of notices. This is particularly important in instances where customer may cite issues with United State Postal Service delivery failures or may have failed to update their physical address in with the administration because increased mailings will continue to encounter such hurdles with no improved success in reaching the customer.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant House Bill 537 an unfavorable report.

Respectfully submitted,

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