



Testimony to the House Environment & Transportation Committee
HB537: Motor Vehicle Administration - Fines and Fees - Required Notice
Position: Favorable

February 16, 2023

The Honorable Kumar P. Barve, Chair
Environment and Transportation Committee
Room 251, HOB
Annapolis, MD 21401
cc: Members, Environment and Transportation Committee

Honorable Chair Barve and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are writing in support of HB537.

HB537 expands notice to Maryland drivers of fines and fees owed to the Motor Vehicle Administration (MVA). In 2018, Economic Action Maryland released our report [No Exit: How Maryland's Debt Collection Practices Deepen Poverty and Widen the Racial Wealth Gap](#).¹ The report documents the ways in which numerous fines and fees, particularly local and state-owed fines, lead to a vicious cycle of debt for low-income and working families.

For too many Marylanders, the debt burden becomes unmanageable and they fall behind on their payments. Maryland law provides numerous ways for creditors to collect from indebted individuals including body attachments (an arrest warrant for debt) and garnishments. In addition to these tactics, the State also uses fines, fees, and flags on vehicle registration to compel payment of State-owed civic debt. Yet, there are few measures within Maryland that provide methods for repaying a debt in an affordable, sustainable manner that doesn't exacerbate an already fragile financial situation.

The MVA charges fines and fees for many of its services including licensing and registration. There are additional penalties for infraction of the law such as driving without a license or registration or driving uninsured. These fee structures often increase the debt overtime - requiring immediate repayment for a lower fee amount.

While HB537 does not address the affordability issue many low income drivers face when struggling to pay a fine, its expansion of notice will help alert Maryland driver's that they owe fines and fees before these fines and fees pull them deeper into debt.

For these reasons, we support HB537 and urge a favorable report.

Best,

Isadora Stern
Policy Manager

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