



**Testimony to the House Environment and Transportation Committee
HB 1465 Transportation-Related Fines and Tolls – Income-Based Installment Payment Plans
Position: Favorable**

February 27, 2025

The Honorable Marc Korman, Chair
House Environment & Transportation Committee
Room 250, House Office Building
Annapolis, Maryland 21401
cc: Members, Judicial Proceedings Committee

Chair Korman and Members of the Committee:

Economic Action Maryland Fund (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances economic rights and equity for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland. Our direct service programs assist clients in every county across the state.

We are here in support of HB1465 which will require the Maryland Transportation Authority and the Department of Transportation to establish programs to offer income-based installment payment plans for the payment of certain tolls, penalties, and fines in excess of \$250.

In 2018, MCRC released a research report, [*No Exit: How Maryland's Debt Collection Practices Deepen Poverty & Widen the Racial Wealth Gap*](#), which details the fines and fees that derail the efforts of low-income Marylanders to gain a stronger economic foothold and achieve financial stability. Our report looks at debt collection processes in Maryland and provides a series of recommendations to ensure that financially fragile households have the opportunity to repay their debts in a sustainable and affordable manner.

Our report documents numerous instances when an individual falls into a vicious cycle of debt due to fines or fees that are unaffordable for low-income households. The majority of the clients that Economic Action sees in our financial coaching and counseling program earn less than \$20,000 a year.

Our report also details the problems with video toll fines which continue today. While the General Assembly has halved the fines associated with video tolls from \$50 per violation to \$25 per violation, the fines remain a source of unsustainable debt for many low-wage workers. The fines lead to mounting debt as well as a barrier to registering a vehicle. Maryland requires drivers to clear toll fines before they are able to register their vehicle.

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Fines for failing to register a vehicle are \$500 and other penalties include possible criminal charges, license suspension, vehicle impoundment. As of June 2024, 46,474 Maryland drivers had outstanding toll flags¹. The toll flags were primarily due to problems paying video tolls. As of April 29, more than 412,000 Maryland drivers owed \$58 million in tolls over the last 2 years with civil penalties totaling nearly \$200 million².

According to a 2024 United Way report, 53% of households below the ALICE (Asset Limited, Income Constrained, Employed) Threshold in Maryland reported that it was somewhat or very difficult to pay for usual items such as food, rent or mortgage³. Economic Action's survey of our clients and supporters found individuals across many income quintiles struggled with the rising cost of living and stagnant wages.

HB1465 recognizes the vicious cycle of poverty that low-wage workers are caught in when fees mount leading to a cascade of problems. The inability to register a vehicle may mean a worker either risks additional fines or penalties or is unable to work at a job that requires a car to get to the job site. In either case, the worker faces loss of wages or increases in fines.

HB1465 establishes an income-based payment plan for individuals with toll fees of \$250 or more. The law is not prescriptive and the details of the payment plans will be established through regulations. This is a simple and common sense approach that balances the need for the individual to pay for the infractions while ensuring that doing so does not harm their financial stability.

For all these reasons, we support HB1465 and urge a favorable report.

Best,

Marceline White
Executive Director

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<https://www.wmar2news.com/matterformallory/thousands-of-maryland-drivers-cant-register-their-cars-due-to-toll-flags>

² *ibid*

³ <https://uwcm.org/wp-content/uploads/2024/08/2024-ALICE-Update-MD-FINAL-v3.pdf>

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