
February 27, 2025

The Honorable Marc Korman
Chair, House Environment and Transportation Committee
251 Taylor House Office Building
Annapolis, MD 21401

***RE: Letter of Concern – House Bill 1465 – Transportation-Related Fines and Tolls -
Income-Based Installment Payment Plans***

Dear Chair Korman and Committee Members:

The Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) take no position on House Bill 1465 but respectfully offer the following concerns for the Committee's consideration.

HB 1465 requires the MDTA to offer income-based installment payment plans for the payment of tolls, civil penalties, and fines totaling \$250 or more and requires MDOT to offer income-based installment payment plans for the payment of traffic citations totaling \$250 or more.

There is a significant operational and fiscal impact to the MDTA due to the need to update regulations and implement an income qualifier for the payment plans. MDTA cannot provide a valid estimate of the staff time or resources necessary for this since MDTA does not have previous experience handling this type of data. Therefore, if MDTA must use income to determine program eligibility, additional staff training, as well as possible system changes, would be needed. Beyond cost, this activity would delay our ability to establish the installment program.

In addition, to develop an income-based installment plan, the MDTA must update regulations pertaining to its existing payment plan authority. For example, COMAR 11.07.07.06F sets the current threshold for a payment plan at \$300 and makes this option available to any customer; by contrast, the threshold for an installment plan established under HB 1465 starts at \$250 and is income-based. The income-based qualifier requirement adds significant challenges to the operation of a payment plan program without additional benefits. These challenges include managing the sensitive data - including social security numbers, a person's reported income, and associated liabilities – necessary to properly assess a person's income and ability to pay.

There is also a significant and operational impact to MDOT. MDOT does not currently have access to all of traffic citation data that would be necessary to determine if an individual owes \$250 or more. It also does not have access to income information to determine if an applicant is eligible. Current payment plans offered by MDOT are on a very limited basis related to vehicle registrations. MDOT would need to establish the resources and expertise needed to implement

The Honorable Marc Korman
Page Two

an income-based payment plan program. It should be noted that revenues for most traffic citations flow to the State's General Fund or, in some cases, local jurisdictions. Very little of this revenue goes to the Transportation Trust Fund. Thus, MDOT would essentially be a third-party servicer to collect certain fines and penalties imposed by traffic citations issued by law enforcement agencies across the state to and pass those collected fines and penalties to the State's General Fund. There would be a cost to MDOT to provide this service and MDOT does not receive benefit of these revenues or at least a cost recovery offset.

The Maryland Department of Transportation and the Maryland Transportation Authority respectfully request the Committee consider this information when deliberating House Bill 1465.

Respectfully submitted,

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