



SB 941 - Transportation-Related Fines and Tolls - Income-Based Installment Payment Plans

Senate Judicial Proceedings Committee

March 5, 2025

SUPPORT

Chair Smith, Vice-Chair, and members of the committee thank you for the opportunity to submit testimony in support of Senate Bill 941. This bill establishes programs to offer income-based installment payment plans for the payment of certain tolls, penalties, and fines.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

For many low-income Marylanders, even a small, unexpected expense can derail their finances. A \$300 payment might be the entirety of someone's discretionary income for a month, forcing them to choose between paying a toll violation or affording groceries, utilities, or rent. Unfortunately, current Maryland Department of Transportation (MDOT) practices make it even harder for people to get back on track. We recently worked with a client who was actively repairing their credit and took proactive steps to resolve their toll debt. They contacted MDOT, set up an installment plan, and made their first payment as agreed. However, when they attempted to make their second payment, they were told their balance had already been sent to collections, despite their good-faith effort to pay. This not only damaged their credit but also increased the amount they owed due to additional fees and interest, setting them back even further.

SB 941 would require MDOT to establish clear and fair protocols for resolving toll violations, preventing situations where individuals trying to make payments find themselves unfairly penalized. With many tolls that are now cashless, Marylanders, especially renters and those experiencing housing instability, are more vulnerable to accumulating unexpected toll debt simply because they may not receive notices in time due to the tolls being mailed to the address on file. This results in manageable fines escalating into insurmountable debt, perpetuating a cycle of financial hardship. By ensuring MDOT has structured policies for handling payments and preventing premature referrals to collections, SB 941 will create a fairer process and allow Marylanders the opportunity to take responsibility for their debts without facing unnecessary financial ruin.

SB 941 is a necessary step in preventing unnecessary financial burdens on residents who are simply trying to pay what they owe and move forward.

Thus, we encourage you to return a favorable report for SB 941.

Creating Assets, Savings and Hope