

# **Testimony\_SB0941\_Sen Sydnor Transportation-Related**

Uploaded by: Charles E. Sydnor III

Position: FAV

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DEPUTY MAJORITY WHIP

Judicial Proceedings Committee  
Executive Nominations Committee

*Joint Committees*

Administrative, Executive, and  
Legislative Review

Children, Youth, and Families

Senate Chair, Legislative Ethics



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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**Testimony for Senate Bill 941  
Transportation-Related Fines and  
Tolls- Income-Based Installment Payment  
March 5, 2025**

Good afternoon Chair Smith, and members of the Judicial Proceedings Committee,

As of 2024, more than 45,000 Maryland drivers are unable to register their cars due to outstanding toll tags which can amount to thousands of dollars. This has presented hardships for those who cannot afford to pay their bill up front, but still require the use of their vehicle daily for employment, school, or essential services.<sup>1</sup> While fines are an important tool to encourage compliance with state law, but they shouldn't be pushing struggling residents even deeper into economic hardship. In the absence of an affordable payment structure, many residents face debt collection actions, escalating penalties, and license suspensions that present bigger roadblocks to meeting outstanding obligations to the state. Often residents will simply opt not to pay, resulting in lost revenue for the state.

Senate Bill 941 ("SB 941") is the vehicle for that affordable payment structure. It requires the Maryland Transportation Authority ("Authority") and the Department of Transportation to create income-based installment payment plans for individuals who have accumulated at least \$250 in tolls, penalties, and fines.

SB 941 creates a new section 21-1417, which authorizes the Authority to establish income-based installment payment plan. This plan would be available for a person to access if they accumulate at least \$250 in total outstanding fines and is otherwise qualified to enter into an installment payment plan. It also authorizes the Authority to refer unpaid debt to the Central Collections Unit and adopt regulations for this income-based installment payment plan. Section 27-103.1 of SB 941 similarly requires the same of the Department of Transportation.

SB 941 recognizes the diverse financial situations of Marylanders by providing those that are struggling financially and cannot afford to pay their outstanding tolls and penalties at once with the ability to follow through with an income-based installment payment plan. Through the adoption

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<sup>1</sup>[WMAR2NEWS: Thousands of Maryland Drivers Can't Register their Cars due to Toll Flags](#)

of this legislation, Maryland can improve payment compliance and maximize revenue from fines, reduce reliance on aggressive debt collection, limit the regressive nature of fines on working families, and create a more just transportation enforcement process that will strengthen our economy and communities.

As such, I respectfully request a favorable report for SB 941.

**testimony2025sb941.pdf**

Uploaded by: Franz Schneiderman

Position: FAV



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**Testimony to the Senate Judicial Proceedings Committee**  
**SB 941 -- Transportation-Related Fines and Tolls --**  
**Income-Based Installment Payment Plans**  
**Position: Favorable**

The Honorable Will Smith  
Judicial Proceedings Committee  
2 East, Miller Senate Building  
Annapolis, MD 21401  
cc: Members, Judicial Proceedings Committee

March 5, 2025

**Dear Chairman Smith and Committee Members,**

I'm a consumer advocate and Executive Director of Consumer Auto, a nonprofit group that works to secure safety, transparency, and fair treatment for Maryland drivers and consumers.

We support **SB 941** because allowing some of the thousands of Marylanders who owe more than \$250 in video toll fees and related penalties to use an income-based payment plan will ease the burden our system of toll fines and fees puts on many low- and middle-income Marylanders – and help the state collect some of the estimated almost \$200 million owed in outstanding toll debt.

As a result of our relatively high fines for failure to pay toll fees (a \$25 fine for each toll a person is more than 30 days late in paying) and aggressive collection practices (debts are generally referred to the Central Collection Unit after 90 days, and the CCU adds a 17% surcharge as a collection fee and can garnish wages and interrupt public benefits and even tax refund checks to collect toll debt), video toll fees can and often do quickly become a debt trap for many Maryland drivers.<sup>1</sup>

Worse still, because Maryland is one of a small number of states that flags car registrations for non-renewal or even suspends current registrations over toll debts, those debts not only harm their credit records and finances but can and frequently do cost people the ability to drive legally.

This happens to thousands of Maryland drivers. Last June, WMAR-TV reported that, as of May 31, 2024, more than 46,000 Maryland faced toll flags that left them either facing suspension of their car registrations or would make them unable to renew their registration without first clearing toll-related debts that may mount into thousands of dollars. They found that more than 412,000 MD drivers owed a remarkable \$58 million in toll debt and almost \$200 million in related fees. Many drivers report being unaware of such debts as a result of billing delays and other issues, until they learn that they're hundreds or even several thousand dollars in debt.<sup>2</sup>

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<sup>1</sup> <https://www.thebaltimorebanner.com/ez-pass-maryland-transportation-authority-HRWI4B3BVNHPBHQGS27RRUNYSE/>

<sup>2</sup> <https://www.wmar2news.com/matterformallory/thousands-of-maryland-drivers-cant-register-their-cars-due-to-toll-flags>



**Auto Consumer Alliance**  
13900 Laurel Lakes Avenue, Suite 100  
Laurel, MD 20707

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One of the reasons the state ought to offer some relief to indebted drivers is that serious mistakes in toll fees issued by the state have helped put some of them in debt. A 2023 audit, for instance, identified 82,000 toll overcharges in the Maryland system, for instance, including charges totaling about \$545,000 to more than 11,000 Hatem Bridge discount plan drivers.<sup>3</sup>

Under existing rules, some drivers who owe more than \$150 in toll-related debt can establish a payment plan to meet their debts. But not everyone can get approved for a payment plan; drivers report that the process of trying to get one, and the amounts they may have to pay, are capricious and unreliable.<sup>4</sup>

**SB 941** would make clear that those with toll-related debts of more than \$250 can apply to participate in an income-based repayment plan and mandate that the state establish appropriate eligibility and verification standards, payment options, and application procedures for such a program. If a person enters into such a program, but fails to meet his or her obligation to pay down the debt, that debt could still be referred to the Central Collection Unit, which can use all its available tools to collect the arrearage.

Setting up the kind of income-based payment plans **SB 941** mandates would give thousands of drivers a fairer chance to meet their toll debts, and surely help the state recover some debts Maryland otherwise would be very unlikely to recoup.

**We support SB 941 and ask you to give it a FAVORABLE report.**

Sincerely,

Franz Schneiderman  
Consumer Auto

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<sup>3</sup> Ibid.

<sup>4</sup> <https://www.thebaltimorebanner.com/ez-pass-maryland-transportation-authority-HRWI4B3BVNHPBHQGS27RRUNYSE/>

# **SB941 EconAction FAV.pdf**

Uploaded by: Marceline White

Position: FAV



**Testimony to the House Environment and Transportation Committee  
SB 941 Transportation–Related Fines and Tolls – Income–Based Installment Payment  
Plans  
Position: Favorable**

March 6, 2025

The Honorable Will Smith, Chair  
Senate Judicial Proceedings Committee  
2 East, Miller Senate Office Building  
Annapolis, Maryland 21401  
cc: Members, Judicial Proceedings Committee

Chair Smith 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 SB941 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

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Tax ID 52-2266235

Economic Action Maryland Fund is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.





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.

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 flags<sup>1</sup>. 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 million<sup>2</sup>.

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 mortgage<sup>3</sup>. 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.

SB941 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.

SB941 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 SB941 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>

<sup>2</sup> *ibid*

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

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### **3.03 SB 941 - Transportation-Related Fines and To**

Uploaded by: Tonaeya Moore

Position: FAV



**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*

# **SB0941- MDTA - LOC - Transportation-Related Fines**

Uploaded by: Matt Mickler

Position: INFO

March 5, 2025

The Honorable Will Smith  
Chair, Senate Judicial Proceedings Committee  
3 Miller Senate Office Building  
Annapolis, MD 21401

***RE: Letter of Concern – Senate Bill 941 – Transportation-Related Fines and Tolls -  
Income-Based Installment Payment Plans***

Dear Chair Smith and Committee Members:

The Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) take no position on Senate Bill 941 but respectfully offer the following concerns for the Committee's consideration.

SB 941 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 SB 941 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 Will Smith  
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 Senate Bill 941.

Respectfully submitted,

Matt Mickler  
Director of Government Affairs  
Maryland Department of Transportation  
410-865-1090

**sb941.pdf**

Uploaded by: Will Vormelker

Position: INFO



HON. STACY A. MAYER  
CIRCUIT COURT  
JUDGE  
BALTIMORE COUNTY  
CHAIR

HON. RICHARD SANDY  
CIRCUIT COURT  
JUDGE  
FREDERICK COUNTY  
VICE-CHAIR



KELLEY O'CONNOR  
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SUZANNE PELZ, ESQ.  
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PUBLIC AFFAIRS OFFICER  
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## MARYLAND JUDICIAL COUNCIL LEGISLATIVE COMMITTEE

### MEMORANDUM

**TO:** Senate Judicial Proceedings Committee  
**FROM:** Legislative Committee  
Suzanne D. Pelz, Esq.  
410-260-1523  
**RE:** Senate Bill 941  
Transportation-Related Fines and Tolls – Income-Based  
Installment Payment Plans  
**DATE:** February 19, 2025  
(3/5)

### INFORMATIONAL COMMENT PAPER

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The Judiciary respects the separation of powers doctrine and acknowledges that the legislature is the policy-making branch. As such, the Judiciary has no position on the policy aims of this legislation and defers to the legislative branch on such matters.

Senate Bill 941 requires the Maryland Transportation Authority and the Department of Transportation to establish income-based installment payment plans for specific tolls, civil penalties, and transportation related fines.

Under the proposed income-based payment plan in Transportation § 21-1417, the District Court is only involved with toll monitoring citations when the defendant does not prepay the citation and requests a hearing to contest the violations. The District Court has no record of a citation until it is contested. Therefore, the Maryland Transportation Authority would be responsible for issuing and processing their payment plans. The bill is not clear on how the court is expected to collect the court costs that are associated with a contested citation that is included in an income-based payment plan through the Transportation

Authority. When a person contests a citation and is found liable, the penalty consists of the fine and any court costs assessed. Court costs are retained in the General Fund.

In addition, regarding the proposed income-based payment plan under Transportation § 27-103.1, the District Court is involved with recording traffic violations under Transportation § 26-201, sharing concurrent jurisdiction with circuit courts when appealed. The District Court currently prescribes an installment payment plan applicable to these traffic violations. Under this bill, however, if passed, the person alleged liable could have two different payment plan options, one with the courts (not income-based) and one with the Department of Transportation (income-based). The Judiciary is concerned that this will cause confusion as to which payment option is applicable to which type of citation. The Department of Transportation would be responsible for issuing and processing their payment plans.

cc. Hon. Charles Sydnor  
Judicial Council  
Legislative Committee  
Kelley O'Connor