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Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Acting Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: HB1283 Maryland Transportation Authority - Video Tolls - Collection

DATE: March 5th, 2026

COMMITTEE: Environment and Transportation

POSITION: Letter of Concern

SUMMARY OF BILL: HB 1283 would authorize the Maryland Transportation Authority (MDTA) to waive video tolls or civil penalties on delinquent accounts, including those already placed with the Central Collection Unit (CCU) for collection. The bill would also require MDTA to notify CCU of any such waivers and require CCU to reduce its fees based on the revised debt amount.

EXPLANATION: As the State's centralized debt collection agency, CCU collects delinquent accounts referred by State agencies, including MDTA, and retains a statutory fee from recoveries to fund its operations. The exact nature of the impact on CCU cannot be determined at this time because the statute does not provide any parameters for how the waiver process might be operated. However, if enacted, this bill could cause CCU to expend staff resources to begin collection efforts on debts that could subsequently be waived, and require CCU to process refunds to debtors on amounts already recovered through offset, such as state tax intercepts. Based on MDTA's assumption that approximately 20% of delinquent debt could be waived, CCU fee revenue would be reduced by approximately \$4.1 million per year. Given CCU's improved financial outlook in fiscal year 2025, some or all of this reduced fee revenue could have otherwise been transferred to the General Fund.

Given forecasted out-year deficits and significant uncertainty about the federal budget and policy changes, it would be challenging for the State to manage this increase in spending. This challenge is compounded by major, unforeseen changes in federal policy and other ongoing budgetary pressures. The Department of Budget and Management (DBM) now forecasts significant shortfalls beginning in Fiscal Year 2027 and escalating into Fiscal Year 2028.

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