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Committee



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## THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

**Testimony:** HB335 “Maryland Transportation Authority—EZ Pass—Disputes of Charges and Fees”

**Committee:** Budget & Taxation

**Hearing Date:** March 30, 2022

**Position:** FAVORABLE

I am Delegate Linda Foley (District 15) and I am sponsoring HB 335, Maryland Transportation Authority—EZPass—Disputes of Charges and Fees, that would extend the time frame for a Maryland E-ZPass account holder to dispute charges and fees from 120 days to one year. This extension is to account for the yearlong backlog the MDTA currently faces in E-ZPass transactions.

State lawmakers have become aware of the EZ Pass program issues the MDTA is dealing with after scores of constituents have reached out for help. Maryland drivers are complaining about E-ZPass overbilling, being unable to reach customer service, and having trouble logging into their accounts to replenish their balance. These difficulties have caused many E-ZPass account holders to face stiff fines.

This issue is not new. Drivers have struggled to get through to EZ Pass for well over 1 year. The “EZ Pass debacle”, as some lawmakers refer to it, began when MDTA switched vendors to upgrade its equipment and switch over to an electronic billing system. The new system had many bugs that simply were not detected until recently since billing was deferred (temporarily halted) from March 2020 until October 2020.

A 2021 fiscal compliance audit of the Maryland Transportation Authority (MDTA) for the period beginning May 10, 2016 and ending March 4, 2020 was conducted by a Senate and House Joint Audit and Evaluation Committee—led by Senator Clarence K. Lam, M.D., and Delegate Carol L. Krimm was released in September 2021—concluded that MDTA had toll equipment, software and operational deficiencies due to switching to a new billing system.

MDTA did not counter this conclusion. The audit came about because there were allegations on the state’s fraud, waste, and abuse hotline alleging that MDTA was not taking sufficient action to detect and address the overbilling of customers for electronic tolling due to issues with its new toll equipment.

Without a doubt, the COVID-19 pandemic health crisis just magnified the impact on MDTA’s beleaguered operations. Governor Hogan’s executive order effective March 5, 2020 to defer

billing on toll roads resulted in MDTA closing its Customer Service Centers, ceasing the collection of cash tolls, suspending notifications of video tolls due, and suspending collection efforts of unpaid tolls previously billed. On October 15, 2020, MDTA resumed the mailing of video toll notices and collection efforts on previously unpaid tolls.

Today the MDTA is still trying to rein in a minimum 7-month backlog of E-ZPass transactions. As recently as February of this year thousands of Maryland EZ-Pass users have signed a petition requesting that Gov. Larry Hogan launch an investigation into the billing system.

EZ Pass users are dealing with \$25 late fees without having received any notices, transponders do not work, old bills are being sent out a year later, as well as MDTA threats of withholding vehicle registrations and tax refunds. According to the audit, the MDTA acknowledged the new billing system had copious glitches. This coupled with the 7-month payment deferral program instituted by the state when the COVID crisis initially sprung up in March 2020 has overwhelmed the system and its ability to respond to and handle customer questions and complaints. In addition, there has been a serious staffing shortfall due to the COVID crisis that has contributed to the lack of response. These events have caused an indescribable strain on MDTA, and on E-ZPass customers.

The MDTA has publicly acknowledged these deficits and has offered an amnesty program from February 24 through November 30, 2022. Even so, the customer service continues to strain under the weight of the consumer issues. The backlog is still very real.

During the House Motor Vehicle Transportation Subcommittee hearing of HB 335, representatives of the MDTA publicly agreed to the terms of the proposal as presented to the Budget & Taxation Committee today. This proposal would change the terms and conditions for E-ZPass account holders to allow a person to dispute any charge or fee within at least 1 year after the charge or fee is posted to the person's E-ZPass account that includes a one year sunset provision. The measure would be effective from June 1, 2022 until June 30, 2023.

It is obvious this one year extension is necessary. That is why this measure passed unanimously through both the House Environment & Transportation Committee and the House chamber. I urge a favorable report on HB 335.