

Testimony to the Budget and Taxation Committee
HB 335: Maryland Transportation Authority - E-ZPass - Disputes of Charges and Fees
Position: Favorable

March 30, 2022

The Honorable Guy Guzzone, Chair
Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401
cc: Members, Budget and Taxation Committee

Honorable Chair Guzzone and Members of the Committee:

We are writing today in support of HB 335. This bill requires the Maryland Transportation Authority (MDTA) to allow a person to dispute any charge or fee within at least three years after the charge or fee is posted to their E-ZPass account. This is a much needed consumer protections policy that will aid Marylanders recovering from COVID-19 economic hardships and protect them from system errors and overcharges.

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.¹ Our report found that in recent years as electronic-tolling has grown in popularity, state-owed debt related to electronic-tolls and their associated civil penalties has grown exponentially.

As of 2020, cashless all-electronic tolls became permanent across Maryland's highways and bridges.² Our research found that drivers who are un- or underbanked have more barriers in using the E-ZPass system. In Maryland, 4.8% of households are unbanked and 23.9% are underbanked.³ Thirty percent of E-ZPass users do not have a bank account or credit card connected to their account and must make payments manually.⁴ Toll amounts can result in severe economic hardship for many individuals and several individuals have declared bankruptcy due to the cost of mounting tolls.

Today, many Maryland families are suffering with the twin crises of the pandemic and economic recession. Many households are financially fragile at this time and are struggling to keep their homes, keep food on the table, and pay medical bills. E-ZPass accounts and transactions were deferred as part of COVID Relief in 2020 to lessen the financial strain caused by COVID-19 layoffs and shutdowns. Many consumers falsely believed

1

https://static1.squarespace.com/static/5b05bed59772ae16550f90de/t/61e0ace0126a434a26bcf3f4/1642114273947/No_Exit_Report.pdf

2

<https://www.wbaltv.com/article/cashless-all-electronic-tolls-permanent-maryland-highways/33534882#>

³ <http://scorecard.prosperitynow.org/2016/state/md>

4

https://www.washingtonpost.com/local/trafficandcommuting/maryland-rakes-in-millions-of-dollars-from-toll-fines-and-penalties/2018/04/28/f19b9c40-4408-11e8-8569-26fda6b404c7_story.html

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that payments had been waived. The agency's deferred billing program has caused more financial hardships on E-ZPass account holders who are now being billed for past usage all at once.

HB 335 would give consumers the power to advocate for themselves and challenge any charge or fee posted to their E-ZPass account within three years. While this bill places the onus on the consumers, rather than the industry to fix its mistakes, MCRC believes it is a necessary step to create stronger protections for consumers.

This bill is further needed to protect consumers from the severe consequences of these unpaid bills. Bills sent to the Central Collection Unit (CCU) can be pursued through many means, including court action, wage garnishments and interception of payments from state and federal agencies. There is also a steep fee included in the CCU's pursuit of unpaid debt and the CCU may report unpaid debt to credit bureaus. Depending on the size of the debt, vehicle registration may be flagged for non-renewal or suspension. Many of these consequences make it even more challenging for consumers to pay their delinquent bills.

For all these reasons, we support HB 355 and urge a favorable report.

Best,

Marceline White
Executive Director