



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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HOUSE BILL 582 Maryland Transportation Authority - Options for Payment of Tolls and Civil Penalties (Hornberger)

STATEMENT OF INFORMATION

DATE: March 3, 2022

COMMITTEE: House Environment & Transportation

SUMMARY OF BILL: HB 582 authorizes the Maryland Transportation Authority to offer payment plans on toll-violation debt either prior to assignment to the Central Collections Unit or to recall debt and offer a payment plan. The bill also requires the Maryland Transportation Authority to offer a range of options to pay toll transactions and penalties.

EXPLANATION: The Central Collections Unit (CCU) is a self-funded state agency within the Department of Budget and Management and is responsible for the collection of delinquent State-owed debt. CCU assesses a 17% collection fee on delinquent debts to cover its operational expense. CCU, therefore, does not receive General Funds and only recovers this fee through payment (voluntary and involuntary) from the debtor.

Much of the Maryland Transportation Authority's (MdTA) E-ZPASS debt, which is the subject of this legislation, has been in active collection since 2016, with CCU having spent significant funds on IT, billing, call centers, and staffing to properly pursue this debt collection. Any debt recalled from CCU by MdTA results in CCU losing money associated with the costs incurred for debt collection prior to recall, thereby disrupting CCU's business model as a self-funded agency.

The interests of all parties would best be served, if the legislation were amended to require MdTA to offer payment plans on their E-ZPASS debts prior to assignment to CCU. Once debts are assigned to CCU, they should not be recalled by MdTA or, at least, not without allowing CCU to recover its collection fee.

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