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Uploaded by: Franz Schneiderman

Position: FAV



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**Testimony to the House Environment and Transportation Committee  
SB 105 – Vehicle Laws – Failure to Pay Video Toll – Reform of Penalties –  
Position: Favorable**

Jan. 18, 2022

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

**Dear Chairman Smith and Committee Members,**

I'm a consumer advocate and Executive Director of Consumer Auto, a group that brings together consumer-friendly auto dealers and consumer advocates to work for safety, transparency, and fair treatment for Maryland drivers and car buyers.

Consumer Auto supports **SB 105** because we believe Maryland's existing practice of suspending vehicle registrations over relatively small toll debts is unduly punitive – especially for lower-income drivers who can quickly fall into debt traps as a result of Maryland's rather high toll violation fines and aggressive collection practices. Discontinuing the practice of suspending registrations as a result of those fines would relieve some of that pressure – and prevent some of those who struggle to pay these fines from facing still greater legal difficulties as they continue to drive (sometimes on suspended tags) to get to work and meet their other needs.

In the past these suspensions have impacted a surprisingly large number of Marylanders. Between 2015 and 2018, the MdTA put a hold on the renewal of vehicle registrations of more than 207,000 Marylanders and about 22,000 Marylanders had their tags suspended because of toll violations.

The many problems surrounding the state's move to all-cashless tolling and the huge backlog of 23 million toll fees that accrued during the pandemic – and that the MDTA will be doling out to drivers for many more months – seem certain to make this troubling situation even worse. And after a state audit revealed that tens of thousands of Marylanders have been overcharged at Maryland's five cash-less toll facilities, we have to wonder about the accuracy of some of the charges that will arrive on driver's doorsteps.

Still, those late-arriving toll charges will surely result in many more fines for delinquent payments. And since it is often lower-income Marylanders who are subject to video tolling because they lack an EZ Pass transponder – or whose EZ Pass accounts may fall into arrears because they can't automatically pay by credit card – those fines will adversely affect many Marylanders who are already struggling financially.

For too many Marylanders, these fines can quickly become a kind of financial quicksand. They create a debt trap and a threat to the vehicle registrations they need to maintain to be able to get to



## **Auto Consumer Alliance**

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work, pursue their education, or access the services and supports they and their families need.

Only eight states now suspend or revoke vehicle registrations for outstanding toll violations. Maryland can provide relief to hard-pressed residents by joining the 42 states that DO NOT suspend or revoke registrations for toll fines.

I urge you to give a **FAVORABLE report to SB 105.**

Sincerely,

Franz Schneiderman  
Consumer Auto

# **SB105- Vehicle Laws – Failure to Pay Video Toll –**

Uploaded by: Isadora Stern

Position: FAV



Maryland Consumer Rights Coalition

**Testimony to the Senate Judicial Proceedings Committee**  
**SB105: Vehicle Laws – Failure to Pay Video Toll – Penalties**  
**Position: Favorable**

January 18, 2022

The Honorable William Smith, Jr., Chair  
Judicial Proceedings Committee  
2 East, Miller Senate Office Building  
Annapolis, Maryland 21401

cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of SB105.

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.<sup>1</sup> 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.

Our research found that these tolls fell disproportionately on unbanked and underbanked Maryland drivers and that the toll amount resulted in severe economic hardship for many individuals. Several individuals 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. Video toll costs penalize the poor and exacerbate a vicious cycle of poverty.

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Maryland Consumer Rights Coalition

SB105 will eliminate registration suspension as a possible repercussion for drivers who fail to pay a video toll. Suspending registration is overly punitive and may have devastating effects on low-income drivers. Driving without registration is a hefty \$500 fine and may lead to potential restrictions on an individual's driver's license. Low-income Marylanders who owe a traffic citation, or judgement, risk the suspension of their registration due to an inability to pay the citation- in other words, due to poverty. Loss of registration means an individual may no longer be able to get to work and may lose their job; thus making it more difficult to pay their bills and other debts.

MCRC clients who work with us on financial counseling or tenant advocacy have a median income of \$20,000- for these individuals, an unexpected bill whether it is \$50 or \$500 is unaffordable and cataclysmic for their financial well-being. The threat of registration suspension added to this already devastating financial burden makes it nearly impossible to pay traffic tickets or other state fines that may have been the cause of the suspended registration to begin with.

This negative cycle and criminalization of poverty must come to an end. For all these reasons, we support SB105 and urge a favorable report.

Sincerely,

Isadora Stern  
Policy Associate

# **SB105 Vehicle Laws – Failure to Pay Video Toll\_Sup**

Uploaded by: Stacey Jefferson

Position: FAV



## TESTIMONY IN SUPPORT OF SB 105

### Vehicle Laws - Failure to Pay Video Toll - Penalties

Senate Judicial Proceedings Committee

January 18, 2022

Submitted by Julia Gross and Kali Schumitz, Co-Chairs

### Member Agencies:

211 Maryland

Advocates for Children and Youth

Baltimore Jewish Council

Behavioral Health System Baltimore

CASH Campaign of Maryland

Catholic Charities

Energy Advocates

Episcopal Diocese of Maryland

Family League of Baltimore

Fuel Fund of Maryland

Health Care for the Homeless

Homeless Persons

Representation Project

Job Opportunities Task Force

Laurel Advocacy & Referral Services,  
Inc.

League of Women Voters of Maryland

Loyola University Maryland

Maryland Catholic Conference

Maryland Center on Economic Policy

Maryland Community Action  
Partnership

Maryland Family Network

Maryland Hunger Solutions

Paul's Place

Public Justice Center

St. Vincent de Paul of Baltimore

Welfare Advocates

### Marylanders Against Poverty

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Kali Schumitz, Co-Chair

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**Marylanders Against Poverty (MAP) strongly supports SB 105**, which repeals the requirement that the Motor Vehicle Administration (MVA), under certain circumstances, can suspend the registration of a motor vehicle that incurs certain toll violations.

Currently, the MVA has authority to suspend vehicle registrations for toll violations. This practice has a detrimental effect on people's ability to get to work and weakens vulnerable populations connection to the workforce. Disruptions in employment often stems from disruptions in reliable transportation. This will cause low-income individuals to experience various negative outcomes.

Currently, there is a \$50 civil penalty that is applied to each transaction if it is not paid within a certain time frame. Then, the balance is moved to Maryland's Central Collection Unit (CCU). Once it is moved, there is a 17% fee added to the total amount. There must be an initial down payment made before monthly payments can start. This system makes it difficult for many low-income drivers to pay their debts and leads them to be more at risk for their vehicles registration to be suspended.

Cashless toll roads create this problem, because drivers do not have the option to pay the toll during their trip. This can lead to driver accruing extremely high cost very quickly. Drivers can enter into this situation in multiple ways. The drivers EZ Pass responder could stop working and they are unaware that they are accruing video toll fees. They may not have a bank account linked to their account to auto replenish. They may not receive proper notification from MVA of the video toll fees that they owe. These mistakes can lead to low-income drivers being trapped into a system of debt, and it puts them at greater risk of losing access to their reliable source of transportation.

**MAP appreciates your consideration and urges the committee to issue a favorable report for SB 105.**

*Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.*



# **CASH\_ SB 105-Vehicle Laws – Failure to Pay Video T**

Uploaded by: Tonaeya Moore

Position: FAV



**SB 105 - Vehicle Laws- Failure to Pay Video Toll- Reform Penalties**  
**January 18<sup>th</sup>, 2022**  
**SUPPORT**

Chair Smith, Vice-Chair, and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 105. This bill addresses consequences on Maryland drivers received through penalty from video toll violations that will exacerbate financial hardships.

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.**

Many Marylanders pay to use roads to have access to their jobs, school, and other resources. Tolls can be paid by using E-ZPass, cash, and video tolling when cash is not an option. Cashless tolls do not allow drivers to pay the toll fee while driving. An estimated 25% of drivers do not have a bank account linked to refill their E-ZPass and the E-ZPass could malfunction. This means they have to pay the toll through a video toll charge, which is sent through the mail. The problem is that some customers are not receiving the charges through the mail.

The driver is supposed to be notified about the original charge, the failure to pay charge (\$50 per transaction), and then notified before the charges are sent to Maryland's Central Collection Unit (CCU). Another fee is added to the total amount sent to CCU. Once the fee is at CCU, there has to be an initial down payment made before being allowed to enter a payment plan. Some people do not receive these notices for various reasons. This means that for some drivers, they do not know what they owe until their balance is at CCU. This leaves them in tremendous debt with limited options.

The practice of suspending motor vehicle registration is harmful to drivers in many aspects. It will limit their access to healthcare, education, food, and other resources. This punishment limits a workers' ability to go to work. This will in turn limit that worker's ability to pay their fines.

This bill addresses this by:

- Repealing the requirement that the Motor Vehicle Administration, under certain circumstances, suspends the registration of a motor vehicle that incurs a certain toll violation.

***For these reasons, we encourage a favorable report on Senate Bill 105.***

*Creating Assets, Savings and Hope*

# **SB0105 - MDTA - Failure to Pay Video Tolls - LOI\_F**

Uploaded by: Patricia Westervelt

Position: INFO

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January 18, 2022

The Honorable William C. Smith, Jr.  
Chairman, Senate Judicial Proceedings Committee  
2 East, Miller Senate Office Building  
Annapolis MD 21401

**Re: Letter of Information – Senate Bill 105 – Vehicle Laws – Failure to Pay Video Toll – Penalties**

Dear Chairman Smith and Members of the Committee:

The Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) takes no position on Senate Bill 105 but offers the following information for the Committee’s consideration.

Senate Bill 105 proposes to repeal the requirement for the Maryland Department of Transportation Motor Vehicle Administration (MDOT MVA) to suspend the registration of a vehicle for failure to pay outstanding tolls and civil penalties. For Maryland drivers, this could result in a disadvantage by prolonging the amount of time customers have to accumulate toll debt, leading to higher debts before cases are resolved.

The MDTA operates the toll facilities in Maryland, with tolls being collected through a combination of electronic toll collection and video toll collection. When a customer passes through a toll facility and fails to pay an electronic toll with an *E-ZPass* transponder, video images are captured of the vehicle license plate. The images are reviewed so that the vehicle is either matched with an existing *E-ZPass* account, Pay-by-Plate payment method, or the registered owner is mailed a video toll invoice (Notice of Toll Due or NOTD) at the address on file with the MDOT MVA. The NOTD is not a fine or citation, but rather a way for non-*E-ZPass* customers to pay a toll.

Existing statute provides three measures designed for recouping past due tolls – civil penalties, flagging or suspending vehicle registrations, and referrals to the Central Collection Unit (CCU). A motorist will only receive a citation if they fail to pay a NOTD within 45 days. A motorist must pay the citation (the toll and penalty) in the allotted timeframe or contest the toll in court. If a person (1) fails to elect to stand trial or pay the prescribed video toll and civil penalty, (2) is adjudicated to be liable after trial, or (3) fails to appear at a trial after having elected to stand trial, the MDTA may refer the case to the MDOT MVA for suspension of or refusal to renew the vehicle’s registration.

The MDTA is committed to responding to customers and resolving any outstanding *E-ZPass* concerns. Over the last few years, the MDTA has taken significant steps to improve its customer service, especially in assisting customers with resolving their toll debt. To both work with the requests of the Legislature and meet Governor Hogan’s goal of reducing tolls and fines, the MDTA Board developed a plan that reduces civil penalties while maintaining equity and fairness for those who pay their tolls as required. In March 2020, the MDTA Board unanimously voted to lower the civil penalty for all toll violations to \$25, which took effect on July 1, 2020.

It has been demonstrated that individuals with high toll debt will continue to amass multiple fines for failing to pay tolls. Consequently, repealing the MDOT MVA’s ability to suspend the vehicle registration

The Honorable William C. Smith, Jr.  
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when an individual has reached the \$1,000 threshold will only exacerbate the outstanding amount of toll debt owed, increasing the likelihood that the customer's account will be referred to CCU, where they will be charged the additional 17% collection fee. Furthermore, the MDTA's ability to work directly with the customer to resolve their outstanding debt is greatly limited after referral to CCU. The current system in place serves, not only as an incentive to pay tolls in a timely manner, but also functions as an opportunity for customers to pay their debt before being faced with additional charges.

Senate Bill 105 would eliminate the opportunity to interact with customers who have unpaid toll debts. The ability to flag or suspend a vehicle owner's registration for non-renewal is an important tool that helps to address habitual toll evaders. By the time a request is made to suspend a vehicle registration, the vehicle owner has received numerous notices of the toll amount due, including the opportunity to contest the case in District Court. Since 2014, the MDTA has recouped \$31.7 million in outstanding unpaid tolls and penalties as a result of the suspension program and customers' awareness of the program. Customers often seek early resolution of unpaid tolls and penalties with MDTA to avoid escalation to the registration suspension program.

Since 1971, the MDTA has been responsible for constructing, managing, operating, and improving the State's toll facilities, as well as for financing new transportation projects under its purview, such as the Governor Harry W. Nice/Senator Thomas "Mac" Middleton Bridge in Charles County. The agency does not receive any State General Fund or Transportation Trust fund dollars, and is instead entirely reliant on tolls collected from its users. In accordance with the MDTA's Trust Agreement with bondholders, toll revenues are first pledged to pay operating expenses, including debt service for bonds that are used to fund major transportation projects at existing and new facilities.

Eliminating the ability to suspend the registration of a vehicle for failure to pay outstanding tolls and civil penalties will extend the duration of delinquency and size of the debt. The Commercial Collection Agencies of America found "that the probability of full collection on a delinquent account drops drastically according to the length of delinquency." Consequently, Senate Bill 105 is detrimental to the customer by allowing more sizeable debt to accrue and to the MDTA by reducing the likelihood of full debt collection.

The Maryland Department of Transportation respectfully requests the Committee consider this information as it deliberates Senate Bill 105.

Respectfully submitted,

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