



Maryland Consumer Rights Coalition

Testimony to the House Judiciary Committee
HB 655: Driving Without Required Security - Repeal of Incarceration Penalties
Position: Favorable with Amendment

February 15, 2022

The Honorable Luke Clippinger, Chair
House Judiciary Committee
House Office Building, Room 101
Annapolis, Maryland 21401
cc: Members, House Judiciary Committee

Honorable Chair Clippinger and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial 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 HB 655 with the proposed amendment.

Many individuals and families in Maryland cannot afford auto insurance. Maryland has the 5th most expensive state-minimum liability coverage in the country.¹ Maryland's costly minimum liability requirements make auto insurance 24.8% more expensive than the national average. Maryland drivers can expect to pay approximately \$1,880 per year for full coverage auto insurance or \$770 per year for minimum coverage.² The national average for auto insurance is around \$1,670 annually for full coverage and about \$600 per year for minimum coverage.³

These high costs are often prohibitively expensive for the low-income drivers who most need access to cars to obtain better jobs. In 2019, Maryland ranked among the bottom ten states for quality of state transportation infrastructure.⁴ Even in regions with strong transit systems, many low-income families have trouble reaching jobs for which they are qualified. Some are forced to turn down good positions in favor of lower paying ones with transit access. Driving increases access to family sustaining jobs, fresh food, recreational activities, and education.⁵

¹ <https://www.coverage.com/insurance/auto/states/>

² <https://www.bankrate.com/insurance/car/states/>

³ <https://www.bankrate.com/insurance/car/average-cost-of-car-insurance/>

⁴ <https://www.usnews.com/news/best-states/rankings/infrastructure/transportation>

⁵ <https://www.vehiclesforchange.org/why-vfc/>



The high cost of auto insurance criminalizes poverty; individuals who cannot afford car insurance yet continue to drive to obtain work or remain employed risk costly fines, fees, or even jail.⁶ In 2019, 14.1% of Maryland drivers were driving without insurance.⁷ The cost of uninsured drivers is passed on to consumers through higher premiums - driving up the cost for everyone.

By eliminating the penalty of incarceration, this bill protects low-income Marylanders from imprisonment due to factors largely derived from their socioeconomic status.

However, the proposed bill in its current form does nothing to protect low-income drivers from the costly fines incurred for driving without insurance. MCRC cannot support a bill that maintains a \$1000 fine for people who are too poor to afford auto insurance. Because of the current state of debt collection in Maryland, drivers who are unable to pay fines up to \$1,000 will see their wages garnished, their tax refunds seized, their bank accounts wiped out, and possible arrests for contempt.

HB 655 Amendment

MCRC supports an amendment that would create a stair-step rate system for the fine associated with driving uninsured. The proposed amendment is intended to acknowledge that driving uninsured occurs not as a willful act of rebellion, but as an issue of auto insurance affordability.

17-107.

(a) A person who knows or has reason to know that a motor vehicle is not covered by the required security may not:

(1) Drive the vehicle; or

(2) If the person is an owner of the vehicle, knowingly permit another person to drive it.

(b) (1) In any prosecution under subsection (a) of this section for a vehicle that is registered in the State, the introduction of the official records of the Motor Vehicle Administration showing the absence of a record that the vehicle is covered by the security required under § 17-104 of this subtitle shall be prima facie evidence that a person knows or has reason to know that a motor vehicle is not covered by the required security.

(2) The introduction of evidence of the records of the Administration may not limit the introduction of other evidence bearing upon whether the vehicle was covered by the required security.

⁶ <https://mva.maryland.gov/vehicles/Pages/insurance-uninsured.aspx>

⁷ <https://www.iii.org/fact-statistic/facts-statistics-uninsured-motorists>



(c) An owner or lessee of any motor vehicle registered under Title 13 of this article may not raise the defense of sovereign or governmental immunity as described under § 5-524 of the Courts and Judicial Proceedings Article.

(d) A person convicted of a violation of this section is subject to [:

(1) a fine not exceeding: [\$1,000].

(I) \$50 for the first offense

(II) \$100 or less for a second offense

(III) \$200 or less for a third offense

(IV) up to \$1000 for a fourth offense and beyond.

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 \$100 or \$1000 is unaffordable and cataclysmic for their financial well-being. We believe the proposed amendment will dissuade people from driving uninsured, but will not cause low-income drivers financial ruin as they seek an affordable product to insure themselves and their vehicles.

HB 655 is an important step in reversing the cycle of debt for low-income and working families. By eliminating imprisonment as a penalty for driving without insurance, HB 655 will assist working families throughout the state by ensuring individuals can continue to get to work in order to meet their financial obligations.

For all these reasons, we support HB 655 with the proposed amendment.

Best,

Isadora Stern
Policy Associate