

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1283 (Delegate Terrasa, *et al.*)
Environment and Transportation

Maryland Transportation Authority - Video Tolls - Collection

This bill expressly authorizes the Maryland Transportation Authority (MDTA) to waive any portion of a video toll due or civil penalty assessed on *any* delinquent account, instead of only on a delinquent account before it has been referred to the Central Collection Unit (CCU) or after it has been recalled from CCU. The bill also specifies that, if MDTA waives any portion of a video toll due or civil penalty assessed (1) MDTA must notify CCU of the amount of the revised debt and (2) CCU must reduce the percentage-based administrative fee applied to the delinquent account based on the amount of the revised debt.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect nonbudgeted revenues for MDTA but may result in administrative efficiencies for MDTA beginning in FY 2027, as discussed below. Special fund and general fund revenues for CCU may increase minimally, as discussed below. State expenditures are not anticipated to be materially affected.

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: Potential minimal.

Analysis

Current Law:

Maryland Transportation Authority

Since 1971, MDTA has been responsible for constructing, managing, operating, and improving the State's toll facilities (for example, the Chesapeake Bay Bridge and the

Governor Harry W. Nice Memorial/Senator Thomas “Mac” Middleton (Nice/Middleton Bridge) and for financing new revenue-producing transportation projects. MDTA is a nonbudgeted State agency, meaning that its budget is not subject to the General Assembly’s appropriation process.

MDTA has the authority to set tolls on transportation facilities projects under its supervision. Tolls must provide funds that, when combined with bond proceeds and other available revenues, are sufficient to pay maintenance, repair, and operating costs for transportation facilities projects that are not otherwise paid for; pay the interest and principal of any outstanding bond issues; create reasonable reserves for these purposes; and provide funds for the cost of replacements, renewals, and improvements.

Video Tolling and the Collection of Outstanding Tolls

MDTA must send the registered owner of a motor vehicle that uses one of MDTA’s toll facilities without paying the toll in some other manner a notice of toll due to inform the owner that they are liable for a video toll. Generally, a person who receives a notice of toll due has 30 days to pay the video toll. If a person does not pay the video toll by the date stated on the notice, the person is subject to a civil citation and civil penalty for a toll violation. The civil penalty must be set by MDTA through [regulation](#) and is currently \$25.

A person that receives a citation for a toll violation may either pay the video toll and the civil penalty directly to MDTA or elect to stand trial for the alleged violation. If a person fails to pay the toll and penalty, fails to elect to stand trial, is adjudicated to be liable after trial, or fails to appear at trial after having elected to stand trial, MDTA or its duly authorized agent may (1) collect the video toll and the civil penalty by any means of collection authorized by law and (2) notify the Motor Vehicle Administration (MVA) of the failure to pay the toll and penalty. Once notified by MDTA, MVA must refuse or suspend the registration of the motor vehicle. No additional hearing or proceeding is required before MVA takes such action.

MDTA may refer a delinquent account for unpaid video tolls and associated civil penalties to CCU for collection. MDTA may recall a delinquent account from CCU if (1) the delinquent account exceeds \$300 in unpaid video tolls and associated civil penalties; (2) the tolls in question were assessed within a 30-day period; or (3) mitigating factors exist with respect to the assessment of the unpaid tolls and penalties, as determined by MDTA. Until MDTA refers the debt to CCU or after MDTA has recalled a delinquent account from CCU, MDTA may waive any portion of the video toll due or civil penalty assessed.

Central Collection Unit

CCU is responsible for collecting any delinquent accounts or debts owed to the State. CCU is authorized to use any actions available to it under State law to collect debts or claims. CCU is authorized to charge an administrative fee of up to 20% of the outstanding principal and interest on the debt referred to it for collection; the current fee is 17%. Debt payments are credited to the agency that refers the debt. The administrative fees are credited to the Central Collection Fund, which is the special fund used to pay for CCU's operating expenses. CCU uses a variety of methods and resources to facilitate the collection of delinquent accounts, including automated and manual efforts, as well as a private collection agency.

State Fiscal Effect: MDTA and CCU advise that the bill may materially affect their operations and finances, potentially resulting in decreased nonbudgeted revenues for MDTA and special and general fund revenues for CCU (because CCU collects a 17% fee on outstanding debt it collects and reverts a portion of the revenues back to the general fund). However, the Department of Legislative Services disagrees with this assessment.

Under current law, MDTA already has broad authority to waive any portion of a video toll due or civil penalty assessed on an account, as long as that account is not actively placed with CCU. Even for debt that has been placed with CCU, MDTA is expressly authorized to recall the delinquent account for mitigating factors, as determined by MDTA. The bill simply (1) allows MDTA to waive any portion of a video toll due or civil penalty assessed while it is actively placed at CCU without being required to first recall the delinquent account and (2) specifies that the administrative fee CCU collects must be adjusted accordingly. Moreover, nothing in the bill requires or necessitates that MDTA modify the policies it has in place to determine when and if to waive a portion of an individual's video toll due or civil penalty assessed. Therefore, the bill is not anticipated to materially affect nonbudgeted revenues for MDTA but may result in administrative efficiencies for MDTA beginning in fiscal 2027 from no longer being required to recall a delinquent account from CCU before applying a waiver.

Furthermore, the bill may *increase* CCU special fund revenues and general fund revenues from reversions, albeit minimally, beginning in fiscal 2027. Under current law, if MDTA recalls an account from CCU to waive a portion of a video toll or civil penalty to settle the account, CCU is no longer involved in the collection of the debt and is unable to collect the corresponding 17% administrative fee. Under the bill, however, if a portion of the debt is waived while it is actively placed at CCU, CCU's administrative fee would likely still apply (although, pursuant to the bill, the fee would be adjusted based on the amount of the revised debt), thereby increasing special fund and general fund revenues accordingly.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 956 (Senator Jennings) - Rules.

Information Source(s): Maryland Department of Transportation; Department of Budget and Management; Department of Legislative Services

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caw/lgc

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