

Department of Legislative Services
 Maryland General Assembly
 2013 Session

FISCAL AND POLICY NOTE

House Bill 535
 Judiciary

(Delegate Niemann, *et al.*)

Court Fees - Surcharge on Divorce Petitions - Distribution to the Domestic Violence Program Fund

This bill increases the surcharge on divorce petitions from a maximum of \$25 to a maximum of \$70. Under the bill’s provisions, a maximum of \$25 from the surcharge must continue to be deposited into the Maryland Legal Services Corporation (MLSC) Fund and a maximum of \$45 must be paid into a newly established Domestic Violence Program Fund administered by the Governor’s Office of Crime Control and Prevention (GOCCP).

Fiscal Summary

State Effect: General fund expenditures increase by \$39,600 in FY 2014 for GOCCP to administer the new fund. Future years reflect annualization. Special fund revenues to the new fund increase by an estimated \$791,000 in FY 2014 and by \$1.1 million annually thereafter due to the increase in the maximum surcharge, with a corresponding increase in special fund expenditures.

(in dollars)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
SF Revenue	\$791,000	\$1,054,700	\$1,054,700	\$1,054,700	\$1,054,700
GF Expenditure	\$39,600	\$53,300	\$53,800	\$54,300	\$54,900
SF Expenditure	\$791,000	\$1,054,700	\$1,054,700	\$1,054,700	\$1,054,700
Net Effect	(\$39,600)	(\$53,300)	(\$53,800)	(\$54,300)	(\$54,900)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

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

Small Business Effect: None.

Analysis

Bill Summary: The Domestic Violence Program Fund consists of (1) money distributed to the fund from a portion of the surcharge collected from divorce case filings; (2) money appropriated in the State budget; (3) investment earnings; and (4) money made available to the fund from any other source. The fund may be used only to provide financial support to domestic violence shelters. The Executive Director of GOCCP must administer the fund and distribute money from the fund to domestic violence shelters in each county in proportion to the amount of the surcharge revenues received from the county.

Current Law: Court costs and charges for the circuit courts are set by the State Court Administrator with the approval of the Board of Public Works. The initial filing fee for a civil case in the circuit courts (including a divorce petition) is \$80 plus a \$55 surcharge for MLSC as authorized by statute. Pursuant to Chapter 486 of 2010 (SB 248), the \$55 surcharge is altered to \$25 after June 30, 2013.

A judge may waive the prepayment of filing fees and costs in a civil case because of indigency.

The Executive Director of GOCCP must establish a program within GOCCP to help victims of domestic violence and their children. As part of the domestic violence program, there must be in a major population center of the State at least one program serving the area. The purpose of the program is to provide temporary shelter or help in obtaining shelter, counseling, information, referral, and rehabilitation.

Background: MLSC was established by the General Assembly in 1982. It receives and distributes funds to nonprofit grantees that provide legal assistance to eligible clients in civil cases. The MLSC fund and the surcharge on filing fees were established in 1998. Since MLSC's creation, it has made grants totaling more than \$182 million.

State Fiscal Effect: Special fund revenues increase by \$791,033 in fiscal 2014, which accounts for the bill's October 1, 2013 effective date, and by approximately \$1.1 million annually thereafter. This estimate assumes that the maximum surcharge is set and that the number of divorce petitions remains constant. While the estimate reflects revenues based on the number of divorce petitions in fiscal 2012 (23,438), the Department of Legislative Services notes that the actual revenue increase may be less to the extent that judges waive filing fees for indigent litigants, as authorized under current law. The Executive Director of GOCCP must distribute money from the surcharge to domestic violence shelters in each county in proportion to the amount of money received from that county from divorce petitions. **Exhibit 1** illustrates potential fiscal 2014 revenues for

local domestic violence programs in each county, based on divorce petitions filed in fiscal 2012 and total surcharge revenues of \$791,033.

Exhibit 1
Potential Revenues for Local Domestic Violence Programs
Fiscal 2014

<u>County</u>	<u>Revenues</u>
Allegany	\$11,070
Anne Arundel	80,123
Baltimore City	73,272
Baltimore	106,211
Calvert	13,804
Caroline	5,063
Carroll	23,659
Cecil	8,201
Charles	24,503
Dorchester	5,940
Frederick	36,518
Garrett	4,320
Harford	33,548
Howard	36,956
Kent	2,869
Montgomery	142,560
Prince George's	100,035
Queen Anne's	6,311
St. Mary's	16,943
Somerset	5,063
Talbot	5,096
Washington	25,785
Wicomico	16,065
Worcester	7,121

Source: Governor's Office of Crime Control and Prevention; Maryland Judiciary; Department of Legislative Services

The bill requires that the fund be used only to provide financial support to domestic violence shelters. Accordingly, this analysis assumes that any expenditures associated with the administration of the fund must be supported by general funds. GOCCP advises

that administrative costs associated with its various funds and grants range from approximately 1% to 10% of its operating budget, depending on the size of the fund or grant. GOCCP estimates that administrative and operating costs for this fund equals approximately 5%, or \$39,552, in fiscal 2014, which accounts for the bill's October 1, 2013 effective date, and by at least \$53,300 annually thereafter.

The bill's provisions do not impact MLSC, as \$25 of the surcharge from divorce petitions continues to be allocated to MLSC.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Governor's Office of Crime Control and Prevention, Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2013
ncs/kdm

Analysis by: Jennifer K. Botts

Direct Inquiries to:
(410) 946-5510
(301) 970-5510