

**Department of Legislative Services**  
 Maryland General Assembly  
 2017 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 14 (Delegate Rosenberg)  
 Judiciary

**Circuit Courts - Fee for Special Admission of Out-of-State Attorney - Janet L. Hoffman Loan Assistance Repayment Program**

This bill increases the fee that the State Court Administrator is required to assess for the special admission of an out-of-state attorney from \$100 to \$250. The entire increase of \$150 must be paid to the Janet L. Hoffman Loan Assistance Repayment Program (LARP) to assist eligible law school graduates whose applications for loan repayment assistance under LARP were denied by Maryland Higher Education Commission (MHEC) due to insufficient funds.

**Fiscal Summary**

**State Effect:** Special fund revenues and expenditures increase by \$72,200 in FY 2018 for LARP awards for eligible law school graduates. Future year revenues and expenditures assume a stable number of out-of-state attorney admissions and annualization.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
SF Revenue	\$72,200	\$96,300	\$96,300	\$96,300	\$96,300
SF Expenditure	\$72,200	\$96,300	\$96,300	\$96,300	\$96,300
Net Effect	\$0	\$0	\$0	\$0	\$0

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law:** Although an attorney must generally be admitted to the Maryland Bar to practice law in the State, on a motion filed in accordance with the Maryland Rules, a court may grant special admission for out-of-state attorneys to practice law in a particular case. The individual must be admitted to the bar of another state and employed by a party in the case before a court or other unit of State government or a political subdivision of the State. The special admission may be granted only by the court hearing the case or, if the case is before a unit other than a court, by the circuit court in the county where the unit has its principal office or any circuit court to which the case may be appealed. The individual may practice law only in connection with the case for which the special admission is granted and is subject to disciplinary proceedings as provided by the Maryland Rules.

Chapter 129 of 2011 requires the State Court Administrator to assess a \$100 fee for the special admission of an out-of-state attorney and to pay \$75 of the fee to the Janet L. Hoffman LARP. Any revenues paid to LARP from the \$100 fee must be allocated to assist eligible law school graduates whose applications for loan repayment assistance under LARP were denied by MHEC due to insufficient funds.

### *Loan Assistance Repayment Program*

LARP provides loan repayment assistance in exchange for certain service commitments to help ensure that underserved areas of the State have sufficient numbers of primary care physicians, physician assistants, dentists, lawyers, and other professionals serving those underserved areas or low-income families. The program is subdivided into the Janet L. Hoffman LARP, the Maryland Dent-Care LARP, and the Maryland LARP for Physicians and Physician Assistants. Individuals must have received a graduate, professional, or undergraduate degree from a college or university in the State or a school of law, or have received a resident teacher certificate from the Maryland State Department of Education after completing an approved alternative teaching preparation program. They must also be employed full time in State or local government or in a nonprofit organization that assists low-income, underserved residents or underserved areas in the State.

### *Janet L. Hoffman LARP*

Eligible employment fields include lawyers, degree- or diploma-holding registered nurses, licensed clinical therapists, physical and occupational therapists, social workers, speech pathologists, and teachers. Chapter 496 of 2012 established the Nancy Grasmick Teacher Award within Janet L. Hoffman LARP for Maryland public school teachers who have taught in Maryland for at least two years in (1) science, technology, engineering, or math subjects or (2) a school in which at least 75% of the students are enrolled in the free and

reduced-price meal program. A teacher must also have received the highest performance evaluation rating for the most recent year available.

**Background:** **Exhibit 1** shows the number of out-of-state attorneys who made appearances in Maryland courts from fiscal 2014 through 2016. **Exhibit 2** shows the awards and applications received by LARP in fiscal 2016.

**Exhibit 1**  
**Out-of-state Attorney Appearances in Maryland Courts**  
**Fiscal 2014-2016**

<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>FY 2016</u></b>
663	662	603

Source: Maryland Judiciary (Administrative Office of the Courts)

**Exhibit 2**  
**Applications Received and Awards Made by LARP in Fiscal 2016, by Profession**

<b><u>Field</u></b>	<b><u>Total Number of Applicants</u></b>	<b><u>Number of Eligible Applicants</u></b>	<b><u>Number of Awards Made</u></b>	<b><u>Percentage of Total Awards Made<sup>1</sup></u></b>
Law	21	15	11	8%
Social Work	159	143	56	39%
Teaching	121	107	48	33%
Nancy Grasmick Teacher	6	6	4	3%
Nursing	32	27	16	11%
Licensed Clinical Counselor	12	7	1	1%
OTPT	1	1	0	0%
Speech Pathology	16	16	8	6%
Nurse Faculty	2	1	0	0%
Physician Assistant	0	0	0	0%
<b>Total</b>	<b>370</b>	<b>323</b>	<b>144</b>	<b>100%</b>

LARP = Loan Assistance Repayment Program

OTPT = Occupational and physical therapy

<sup>1</sup> Numbers may not sum to 100% due to rounding.

Source: Maryland Higher Education Commission; Office of Student Financial Assistance

The fiscal 2018 State budget for MHEC contains \$1.4 million for LARP, including \$75,000 in special funds from out-of-state attorney fees.

**State Fiscal Effect:** The \$75,000 in special funds appropriated in the State budget is based on 1,000 out-of-state attorney appearances in fiscal 2018. However, between fiscal 2014 and 2016, an average of 642 out-of-state attorney appearances were made in Maryland courts each year. Assuming that the number of out-of-state attorney admissions is consistent with the Judiciary's figures and remains constant, special fund revenues for LARP increase by \$72,225 in fiscal 2018, which accounts for the bill's effective date. Future year annual revenues increase by \$96,300 due to annualization. Revenues for the Judiciary are not affected by the bill.

Any revenues paid to LARP from the \$250 fee must be allocated to assist eligible law school graduates whose applications for loan repayment assistance under LARP were denied by MHEC due to insufficient funds. Accordingly, State expenditures increase by \$72,225 in fiscal 2018 and by \$96,300 annually thereafter.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Judiciary (Administrative Office of the Courts); Maryland Higher Education Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - January 23, 2017  
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Analysis by: Caroline L. Boice

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