

MARYLAND JUDICIAL CONFERENCE
GOVERNMENT RELATIONS AND PUBLIC AFFAIRS

Hon. Mary Ellen Barbera
Chief Judge

187 Harry S. Truman Parkway
Annapolis, MD 21401

MEMORANDUM

TO: House Appropriations Committee
FROM: Legislative Committee
Sara Elalamy
410-260-1561
RE: House Bill 364
State Finance and Procurement – Central Collection Unit – Powers
DATE: January 21, 2021
(1/27)
POSITION: Oppose, as drafted

The Maryland Judiciary opposes House Bill 364, as drafted. This bill repeals the authority of the Central Collection Unit (CCU) to settle a debt or claim without a lawsuit. The bill also decreases the maximum fee that CCU may assess and collect from a debtor to 5%, instead of 20%, of the outstanding principal and interest. The fee no longer must be enough to cover all collection and administrative costs.

The Central Collection Unit is responsible for collecting any delinquent accounts or debts owed to the State. The Judiciary understands the policy aim of a reduction in collection fees and takes no position on that legitimate legislative prerogative.

However, there is a concern about the elimination of the ability of the Central Collection Unit to settle claims without a lawsuit, as this would detrimentally limit the parties' ability to negotiate claims.

cc. Hon. Patrick Young
Judicial Council
Legislative Committee
Kelley O'Connor