

HB0066 Courts and Judicial Proceedings - Circuit Courts and District Court - Dishonored Checks - Service Charges

Judiciary Committee – January 25, 2023

Sponsor: Delegate Sandy Bartlett

Position: Favorable

Testimony of Kathleen Duvall, Clerk of the Circuit Court, Talbot County

Thank you, Chairman Clippinger, Vice Chairman Moon, and members of the committee, for this opportunity to testify in support of House Bill 66. For the record, my name is Kathleen Duvall, Clerk of the Circuit Court for Talbot County and Chair of the Maryland Conference of Circuit Court Clerks.

The Clerks of the Circuit Court support HB 66 because it increases the service charge for dishonored checks, which are checks that are returned for insufficient funds. The current service charge, which has not been updated since 1978, is \$10. This bill proposes to increase the service charge to \$30, which is the same level that is currently assessed by the Comptroller's Office for dishonored checks written to the state.

The Clerks believe that updating the service fee to \$30 would be a more accurate reflection of the administrative burden imposed on our offices when a check is returned for insufficient funds. When a check is returned from the State Treasurer's Office, the court's records need to be amended to reflect that a required fee was not paid. Likewise, the accounting records and disbursements of funds to state, county and city financial agencies must be amended and corrected. The Clerk then begins the collection efforts, and it sometimes results in the funds ultimately being turned over to the Central Collection Unit, which then needs to expend additional resources to compel payment. And if the fee is eventually collected then court and accounting records need to be revised again to reflect the payment has been

received. As you can see, there are multiple steps in processing a returned check and it is quite labor intensive. The current fee of \$10 doesn't come close to covering the costs of processing the returned check.

Raising the service charge may also provide more of a deterrent to individuals from engaging in this behavior and thereby causing the administrative burden that could have been avoided.

The Circuit Court Clerks hope you will give a favorable report on HB 66, and we would like to thank Delegate Bartlett for sponsoring this bill. Thank you for the opportunity to comment, and I am available if you have any questions.