

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 259
 Judiciary

(Delegate Chang)

Judicial Proceedings

District Court - Traffic Cases - Surcharges

This bill increases, from \$7.50 to \$10.00, the surcharge the District Court is required to add to any fine imposed in specified traffic cases.

Fiscal Summary

State Effect: Special fund revenues for the Maryland Emergency Medical System Operations Fund (MEMSOF) increase by \$334,600 in FY 2025 and by at least \$467,800 annually thereafter. Expenditures are not directly affected, as discussed below.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
SF Revenue	\$334,600	\$467,800	\$472,600	\$498,100	\$471,200
Expenditure	0	0	0	0	0
Net Effect	\$334,600	\$467,800	\$472,600	\$498,100	\$471,200

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

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

Small Business Effect: None.

Analysis

Current Law: For specified traffic cases in the District Court, including those in which the defendant may waive the right to trial and instead pay a preset fine, a surcharge of \$7.50 is imposed. The surcharge does not apply to automated enforcement citations for red light, speed, and work zone violations; citations issued for failure to pay an electronic or video toll; or parking or impoundment cases. The District Court annually issues a schedule of preset fines that already include the \$7.50 surcharge for all moving violations.

The Comptroller annually credits the surcharge as follows:

- amounts annually set forth in the State budget from the surcharge must be distributed to the (1) Charles W. Riley Firefighter and Ambulance and Rescue Squad Member Scholarship and (2) Maryland State Firemen's Association for the Widows' and Orphans' Fund;
- after funds have been distributed to the organizations stated above, \$200,000 must be distributed to the Maryland State Firemen's Association;
- after the above distributions are made, and once a total \$20.0 million has been distributed to the Volunteer Company Assistance Fund (VCAF) since the establishment of the surcharge, 100% of remaining revenues go to MEMSOF. (The Department of Legislative Services (DLS) notes that the \$20.0 million threshold for VCAF has been obtained.)

MEMSOF, a special fund administered by the Comptroller, may be used solely for (1) the Maryland State Police, Aviation Division; (2) the Maryland Institute for Emergency Medical Services Systems; (3) The R Adams Cowley Shock Trauma Center; (4) the Maryland Fire and Rescue Institute; (5) local grants under the Senator William H. Aross Fire, Rescue, and Ambulance Fund; and (6) the VCAF. In addition to surcharge revenues from traffic cases, MEMSOF receives revenues from a biennial surcharge of \$29 on motor vehicle registrations for certain classes of vehicles. Interest earned annually on the fund balance is credited to the fund.

State Fiscal Effect: Special fund revenues for MEMSOF increase by \$334,600 in fiscal 2025, which reflects the bill's October 1, 2024 effective date, and by at least \$467,800 annually thereafter. This estimate (1) is based on current DLS surcharge revenue projections from the existing (\$7.50) surcharge; (2) assumes the \$2.50 increase does not materially impact collection rates; and (3) assumes the full amount of additional revenues stemming from the bill are credited to MEMSOF (*i.e.*, amounts included in the annual budget for other purposes, as specified above, remain constant).

Although the bill does not directly affect MEMSOF expenditures, as no new spending is required by the bill, DLS [projects](#) a MEMSOF funding deficit beginning in fiscal 2026, with significant general funds needed in order to maintain solvency. For example, \$18.8 million in general funds is anticipated to be needed in fiscal 2026; by fiscal 2030, an estimated \$38.9 million in general funds is projected to be required. Reliance on general funds may be moderated negligibly by the increased surcharge revenues from the bill.

Minimal one-time programming costs for the Judiciary in fiscal 2025 are assumed to be absorbable within existing budgeted resources.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Department of Emergency Management; Comptroller's Office; Judiciary (Administrative Office of the Courts); Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - January 30, 2024
km/jkb Third Reader - March 19, 2024
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