

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 268 (Senator Sfikas, *et al.*)
Judicial Proceedings

Baltimore City - District Court - Housing Division

This bill establishes a Housing Division of the District Court for Baltimore City. The bill increases, from 24 to 26, the number of associate judges for the court. Two judges are required to be assigned full-time to the Housing Division. Additional judges and other personnel must be assigned as needed.

The bill provides for the jurisdiction of the division over specified State and local housing code violation matters. The bill also authorizes appropriate alternative relief orders in civil proceedings, as well as certain civil actions.

Fiscal Summary

State Effect: General fund expenditures would increase by \$620,100 in FY 1998, including \$230,000 in one-time costs for courtroom conversion as discussed below. Future years reflect annualization, inflation, and the likely attainment of new courtroom space by FY 2000. Revenues would not be affected.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	620,100	496,100	323,900	335,700	348,000
Net Effect	\$620,100	\$496,100	\$323,900	\$335,700	\$348,000

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

Local Effect: None. (See Local Revenues below.)

Small Business Effect: Potential minimal effect on small businesses as discussed below.

Fiscal Analysis

State Expenditures: General fund expenditures could increase by an estimated \$620,116 in fiscal 1998, which reflects the bill's October 1, 1997 effective date. This estimate reflects the cost of appointing two District Court judges, and hiring three Court Clerks, two Bailiffs, and one Secretary. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$232,516
Rent	135,000
One-time Courtroom Conversions	230,000
Other Operating Expenses	<u>22,600</u>

Total FY 1998 State Expenditures \$620,116

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

Since the District Court for Baltimore City does not have any vacant courtrooms, this bill would require the rental of additional office space and the conversion of that space into appropriate chambers for a Housing Division of the District Court. While that rental need would exist in fiscal 1998 and fiscal 1999, the ongoing capital construction project of new facilities for the District Court in Baltimore City is scheduled to be completed in May of 1999. Accordingly, it is assumed that, unless there is a need for expansion of that District Court outside of the expansion provided by this bill, the Housing Division could move into those new facilities at or near the beginning of fiscal 2000.

The District Court reports that this bill may be in conflict with the existing structure of the District Court as a unified State system, and in conflict with certain of the Maryland Rules of Procedure for the courts. For instance, the bill provides for the entry of summary judgments, while the Maryland rules do not provide summary judgments in the District Court. While the District Court believes that this feature would lead to an increased workload for housing code violation cases, there is no fiscal impact.

It should be noted that the District Court believes that the physical and procedural adjustments required by this bill make the October 1, 1997 effective date unrealistic.

Local Revenues: The bill is silent as to where any revenues from citations or fines assessed by the Housing Division would be directed. It is assumed that any such revenues would revert, as they do now, to the city. Unless housing code enforcement activity is measurably changed, it is also assumed that the magnitude of such revenues would remain constant.

Small Business Effect: This bill would theoretically lead to speedier hearings and determinations of issues dealing with housing code violations in Baltimore City. Though it is not known how many building owners in the city are small businesses, nor how many housing code issues brought before a Housing Division of the District Court would involve small businesses (as owners/landlords or tenants), there is not currently a backlog of such cases in Baltimore City. Thus, providing a distinct mechanism for hearing currently pending or future code violation cases, would have a minimal effect on small businesses as a class.

Information Source(s): Judiciary (District Court), Department of Fiscal Services

Fiscal Note History: First Reader - February 4, 1997

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Analysis by: Guy Cherry
Reviewed by: John Rixey

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 841-3710
(301) 858-3710