

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

Senate Bill 618 (Senator Astle)  
Judicial Proceedings

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**Consumer Protection - Mediation Services - Required Training**

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This bill requires that “mediators” must complete at least 40 hours of training in an accredited mediation training program. Violators are subject to administrative and/or civil penalties under existing consumer protection provisions.

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**Fiscal Summary**

**State Effect:** General fund expenditure increase of \$56,000 for the Consumer Protection Division in FY 1998 as discussed below. Potential minimal increase in general fund revenues due to applicable administrative and civil penalty provisions. Assuming that the Consumer Protection Division will receive fewer than 50 complaints per year stemming from this bill, existing resources should be adequate to handle any additional workload relating to enforcement of these provisions.

**Local Effect:** Potential minimal revenue increase due to applicable civil penalty provisions. Potential indeterminate expenditure increases as discussed below.

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

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**Fiscal Analysis**

**State Expenditures:** The Consumer Protection Division uses approximately 70 volunteers for mediation services provided by the division. Since it is expected that the division would continue to use those volunteers for mediation services, it is assumed that the division would be responsible for picking up the cost of accredited training for all of them. The cost of this training is estimated at \$800 per person.

Accordingly, general fund expenditures for fiscal 1998 would increase by \$56,000 due to the training needs of the division’s volunteer mediators. Future year costs would depend on the

number of additional volunteers the division would determine were necessary to meet their needs. However, the division may decide to make training a precondition for volunteerism in future years.

**Local Expenditures:** It is not known if any local jurisdictions are currently using private mediators or mediation organizations. If so, and local governments do not require the mediators to bear the cost of the training required under this bill, local expenditures could increase by an amount equal to the costs of the training if that jurisdiction wishes to continue using those services.

**Small Business Effect:** The January 1997 edition of the Directory of Maryland Dispute Resolution Professionals, produced by the University of Maryland at Baltimore Law School, has approximately 160 listings of persons or entities referring to themselves as alternative dispute resolution (ADR) professionals. Of that number, 25 are law firms, and 22 are ADR organizations separate from law firms. It is believed that there could be twice as many practitioners as are in this listing.

However, a certain number of listings represent members of the clergy, the courts and other public entities (such as the Consumer Protection Division), and nonprofit community activists/organizations. Therefore, it is difficult to know the actual number of mediation practitioners in the State who would qualify as a small business. In addition, many attorneys offer these services without a business listing for mediation services.

In any event, this bill would add to the cost of the practice of mediation and could meaningfully impact a small business since the cost of training would have to be borne by individual mediators or the business for which they work. The extent to which this additional cost of doing business would be a barrier to entry into the industry is unknown.

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**Information Source(s):** Office of the Attorney General, Department of Fiscal Services

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