

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

Senate Bill 201 (Senator Kellev. *et al.*)

Judicial Proceedings

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**Lawyers - Clients' Security Trust Fund - Annual Fee**

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This bill eliminates the statutory cap of \$20 on the amount of the fee that lawyers are required to pay annually to the Clients' Security Trust Fund of the Bar of Maryland, and permits the Court of Appeals to set the fee in any amount.

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**Fiscal Summary**

**State Effect:** None. The bill does not directly affect governmental operations or finances.

**Local Effect:** None.

**Small Business Effect:** Potential minimal.

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**Fiscal Analysis**

**Small Business Effect:** The Clients' Security Trust Fund is a nonprofit organization intended to maintain the integrity of the legal profession by paying money to reimburse losses caused by lawyers who misuse their clients' funds. It is funded by annual fees paid by lawyers. If the Court of Appeals raises the annual Clients' Security Trust Fund fee, small law firms would experience expenditure increases. On the other hand, there would be more funds available to repay small businesses that are victims of attorney defalcation. As of June 30, 1997, 26,275 lawyers were subject to annual assessments, the fund's balance was \$2,851,894, and the total estimated value of pending claims was \$8,000,000.

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**Information Source(s):** Judiciary (Administrative Office of the Courts), Clients' Security Trust Fund, Department of Legislative Services

**Fiscal Note History:**

First Reader - February 5, 1998

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