

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 332 (Senator Green. *et al.*)

Judicial Proceedings

Civil Court Fees - Maryland Legal Services Corporation Fund

This bill requires the District Court and circuit courts to assess and collect a surcharge on civil cases, to be used by the Maryland Legal Services Corporation (the "Corporation") to finance civil legal services to indigents. The surcharge may not be more than \$10 per case for circuit courts, or \$2 per case for District Court. The bill also creates the Maryland Legal Services Corporation Fund (the "Fund"), into which the revenues from the surcharges are to be paid. The Fund would also consist of interest on lawyer trust accounts (IOLTA) and amounts appropriated to the Fund by the State.

The bill is effective July 1, 1998.

Fiscal Summary

State Effect: Increase in special fund revenues of as much as \$2.8 million annually, beginning in FY 1999. No direct effect on expenditures.

Local Effect: None.

Small Business Effect: Meaningful.

Fiscal Analysis

State Revenues: Assuming that the surcharge amounts are set at \$10 for circuit court and \$2 for District Court (the maximum authorized by the bill), and using fiscal 1997 case filing data, approximately \$2.8 million in revenue would be generated for the Fund annually, beginning in fiscal 1999. This estimate is calculated as follows:

circuit courts

Total civil cases filed in fiscal 1997	157,899	
Correction factor	<u>37,777</u>	
Adjusted total civil cases	120,122	
Surcharge	\$10	
Special fund revenue		\$1,201,220

District Court

Total civil cases filed in fiscal 1997	828,307	
Correction factor	<u>31,530</u>	
Adjusted total civil cases	796,777	
Surcharge	\$2	
Special fund revenue		\$1,593,554

Total Estimated Special Fund Revenue \$2,794,774

The “correction factor” includes categories of cases in which fees are usually waived. This estimate assumes that the surcharges would only be assessed on newly-filed cases.

Under current law, the Governor is required to appropriate at least \$500,000 in the State budget each year to support the activities of the Corporation. Additionally, IOLTA funds are payable to the Corporation. In fiscal 1997, the Corporation received \$500,000 in State grants, \$3,708,493 in IOLTA funds, and \$135,175 in revenue from other sources, for a total amount of public support and revenue of \$4,343,668.

State Expenditures: It is expected that any increased costs and/or workload for the court clerks’ offices associated with the collection and remittance of the surcharges could be handled with existing resources.

Small Business Effect: The Corporation, a non-profit organization, would obtain significant additional funds annually with which to finance civil legal services for indigents as a result of this bill.

Information Source(s): Judiciary (Administrative Office of the Courts), Maryland Legal Services Corporation, Department of Legislative Services

Fiscal Note History: First Reader - February 20, 1998
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