

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Revised

House Bill 194 (Delegate Vallario. *et al.*)

Judiciary

District Court - Civil Jurisdiction

This bill expands the District Court’s exclusive original civil jurisdiction by increasing the limit on the amount of debt or damages that may be claimed in contract, tort, and attachment before judgment cases from \$20,000 to \$25,000 (exclusive of interest, costs, and attorney’s fees).

Fiscal Summary

State Effect: General fund expenditures would increase by approximately \$64,300 in FY 1999, which reflects the bill’s October 1, 1998 effective date. Expenditures could increase by additional amounts in future years if one or more additional District Court judges are needed. General fund revenues would increase by at least \$22,500 in FY 1999, which reflects the effective date. Out-year amounts reflect annualization and inflation, and assume a constant number of additional cases gained by the District Court each year.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$22,500	\$30,000	\$30,000	\$30,000	\$30,000
GF Expenditures	\$64,300	\$86,100	\$86,100	\$86,100	\$86,100
Net Effect	(\$41,800)	(\$56,100)	(\$56,100)	(\$56,100)	(\$56,100)

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

Local Effect: Potential decrease in expenditures if positions are eliminated in the offices of the clerks of the circuit courts. Local governments would experience a collective decrease in revenues of at least \$225,000 in FY 1999, which reflects the bill’s effective date.

Small Business Effect: Potential minimal.

Fiscal Analysis

State Revenues: It is estimated that this bill would result in a shifting of approximately 3,000 new cases per year from the jurisdiction of the circuit courts to the District Court. The filing fee for a “large claim” civil case in District Court is currently \$10. Various other fees must also be paid during the course of the litigation, depending upon the nature of the filings in the case. The revenue increase for the State for fiscal 1999 resulting from the additional filing fees alone would be \$22,500, which reflects the bill’s October 1, 1998 effective date (\$30,000 on an annualized basis). Additional revenues associated with fees other than case filing fees cannot be reliably estimated at this time.

State Expenditures: The District Court’s staffing formula provides that one clerk is needed for every 800 civil cases that are filed. An increase of 3,000 cases for the District Court would therefore require 3.5 additional clerical personnel at a total cost of \$64,306 in fiscal 1997, including associated supplies. These amounts reflect the bill’s October 1, 1998 effective date.

The jurisdictional change could also result in a need for additional District Court judges in the future. Aside from the increased volume of cases, cases in the \$20,000 to \$25,000 value range generally involve more evidence and witnesses than smaller cases and therefore require more trial time. Some of these cases could not be heard on a regular docket and would become “special set” cases. A “special set” case is one for which trial is estimated to take longer than one hour. The court often sets a morning aside for one or two “special set” cases, when a morning would ordinarily accommodate 15 to 20 civil cases, 30 or more criminal cases, or over 100 traffic cases. Depending on the experience that the District Court has with this jurisdictional change, a new judge might be needed in fiscal 2000.

Local Revenues: Local revenues would decrease annually by the amount of filing and other fees associated with the number of eliminated cases. The filing fee for a civil case in circuit court is generally \$90, which includes an attorney appearance fee of \$10. Appearance fees collected are generally required to be paid into a fund for use by the court’s law library. Various other fees must also be paid during the course of the litigation, depending upon the nature of the filings in the case. The revenue decrease for local governments for fiscal 1999 resulting from the fewer filing fees alone would be \$225,000, which reflects the bill’s October 1, 1998 effective date (\$300,000 on an annualized basis). Decreased revenues associated with fees other than case filing fees cannot be reliably estimated at this time.

Local Expenditures: Local expenditures may decrease if circuit courts decide to eliminate positions in the clerk's offices due to the lower volume of cases. However, because the volume decrease would be spread out over the State's 24 jurisdictions, and given the current caseload, it is uncertain whether the impact on each individual circuit court would be enough to warrant the elimination of any positions.

Small Business Effect: District Court cases usually proceed more quickly and follow more simplified procedures than circuit court cases. Consequently, this bill could result in accelerated resolution and reduced legal costs for small businesses that file lawsuits involving between \$20,000 and \$25,000 in District Court instead of circuit court.

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

Fiscal Note History: First Reader - February 12, 1998
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