

Department of Legislative Services  
Maryland General Assembly

**FISCAL NOTE**

Senate Bill 314 (Senators Ferguson and Kellev)

Judicial Proceedings

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**Bad Checks - Rental of Real Property**

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This bill specifies that property as defined in regards to payment with bad checks includes a leasehold interest in real property.

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**Fiscal Summary**

**State Effect:** Potential increase in general fund revenues and expenditures due to the applicable penalty provisions. Assuming that the Consumer Protection Division will receive fewer than 50 complaints per year stemming from this bill, the division's existing resources should be adequate to handle any additional workload.

**Local Effect:** Potential increase in revenues and expenditures due to the applicable penalty provisions.

**Small Business Effect:** This bill would have a minimal impact on small business landlords. Establishing criminal penalties against an individual for writing a bad check for a leasehold interest could reduce the number of such checks written.

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**Fiscal Analysis**

**Background:** An individual convicted of obtaining property or services by a bad check when the property or services has a value of \$300 or greater is guilty of a felony and may be fined no more than \$1,000 and/or imprisoned for not more than 15 years. An individual convicted of obtaining property or services by a bad check when the property or services has a value of \$300 or less is guilty of a misdemeanor and may be fined no more than \$100 and/or imprisoned for not more than 18 months. An individual convicted of obtaining property or services by more than one bad check, each of which is issued to the same person within a 30-day period, when the cumulative property or services has a value of \$300 or more

is guilty of a felony and may be fined no more than \$1,000 and/or imprisoned for not more than 15 years.

**State Revenues:** General fund revenues could increase under the applicable monetary penalty provisions for those cases heard in the District Court, depending upon the number of convictions and fines imposed.

**State Expenditures:** General fund expenditures could increase as a result of the applicable incarceration penalties due to more people being committed to a Division of Correction (DOC) facility and increased payments to counties for reimbursement of inmate costs, depending upon the number of convictions and sentences imposed.

Persons serving a sentence longer than one year are incarcerated in a DOC facility. In fiscal 1999 the average monthly cost per inmate is estimated at \$1,500. For illustrative purposes, under the bill's maximum incarceration penalty for a felony conviction the average time served would be 90 months. Thus, State costs could increase by \$135,000 for each person imprisoned under the bill.

Persons serving a sentence of one year or less are sentenced to a local detention facility. The State reimburses counties for part of their per diem rate after a person has served 90 days. State per diem reimbursements for fiscal 1999 are estimated to range from \$12 to \$42 per inmate depending upon the jurisdiction. Persons sentenced to such a term in Baltimore City are generally incarcerated in a DOC facility, with an average monthly cost estimated at \$1,500 for fiscal 1999. [The Baltimore City Detention Center (BCDC), a State operated facility, is used primarily for pretrial detentions. The per diem cost for BCDC in fiscal 1999 is estimated at \$43 per inmate.]

**Local Revenues:** Revenues could increase under the applicable penalty provisions for those cases heard in the circuit courts, depending upon the number of convictions and fines imposed.

**Local Expenditures:** Expenditures could increase due to the applicable incarceration penalties depending on the number of convictions and sentences imposed. Counties pay the full cost of incarceration for people in their facilities for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of local detention facilities are expected to range from \$23 to \$83 per inmate in fiscal 1999.

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**Information Source(s):** Office of the Attorney General (Consumer Protection Division), Judiciary (Administrative Office of the Courts), Department of Legislative

Services

**Fiscal Note History:**

First Reader - February 17, 1998

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