# **Department of Legislative Services**

Maryland General Assembly

# **FISCAL NOTE**

House Bill 618 (Delegate DeCarlo) Economic Matters

#### Landlord and Tenant - Repossession - Service of Process

This bill provides that in a summary ejectment action, service of process on a tenant may be effected by any person authorized under the Maryland Rules to serve process, if the person is not an agent, employee, or representative of the landlord. The Maryland Rules provide that service of process may generally be made by any legally competent person who is 18 or older and is not a party to the action. Under current law, service of process in a summary ejectment action must be made by a constable or sheriff (except in Wicomico county).

## **Fiscal Summary**

State Effect: None.

Local Effect: Potential significant revenue and expenditure decreases for local governments.

Small Business Effect: Potential meaningful.

### **Fiscal Analysis**

**Local Effect:** Service of process fees in summary ejectment actions are a significant source of revenues for local governments, especially the more urban jurisdictions. For example, these fees amount to approximately \$2 million per year in both Baltimore City and Prince George's County, and \$1 million per year in Montgomery County. Although the fees, which are generally \$5 each, are collected by the sheriff's or constable's office, the money is placed into the local government general fund. Accordingly, county revenues would decrease to the extent that service of process is not directed to county sheriffs or constables.

The performance of service of process in summary ejectment actions, or "tack ups", is a significant activity for sheriffs' and constables' offices. To the extent that these law enforcement units are called upon less frequently to do tack ups as a result of this bill, layoffs could result. Baltimore City Sheriff's Office estimates that if its tack up function were to be

eliminated, it would be necessary to lay off approximately 14 deputies.

**Small Business Effect:** Small process service businesses would gain business to the extent that they are called upon more frequently to serve process in summary eviction proceedings as a result of this bill. Landlords could save money if they could arrange for service of process for lower fees than charged by the sheriff.

**Information Source(s):** Sheriffs' Offices of Baltimore City and Montgomery County, Prince George's County, Department of Legislative Services

Fiscal Note History:		First Reader - February 18, 1998
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