

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE

House Bill 152 (Delegate Grosfeld)

Economic Matters

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Unemployment Benefits - Hearings - Attorney's Fees

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This bill allows a lawyer to charge a reasonable fee for representing a claimant in an unemployment insurance proceeding before a hearing examiner, special examiner, or the Board of Appeals. On application of a claimant, the Board of Appeals may decide whether the fee is reasonable and order the lawyer to refund any part of the fee that the board finds to be unreasonable. Under current law a lawyer may not charge a fee that is greater than an amount approved by the Board of Appeals.

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Fiscal Summary

**State Effect:** None. The Unemployment Insurance Trust Fund balance is not affected by attorney fees.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Fiscal Analysis

**Background:** The average weekly benefit amount is approximately \$200, and the average duration of benefits is 15 weeks. Therefore, the average total payout is about \$3,000. Current regulations limit attorney fees in these unemployment insurance cases to approximately \$150.

**Small Business Effect:** To the extent that lawyers are able to charge higher fees for representing claimants in unemployment insurance proceedings, small law firms could benefit. However, the higher the fee charged by a lawyer, the more likely it is that the claimant will take the issue to the Board of Appeals which could order the lawyer to refund part of the fee.

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**Information Source:** Department of Labor, Licensing, and Regulation

**Fiscal Note History:** First Reader - February 8, 1999

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