

**Department of Legislative Services**  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

House Bill 634 (Delegates Vallario and Dembrow)

Judiciary

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**Civil Actions - Substituted Service of Process**

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This bill provides for substituted service of process in certain legal actions. Service of process may be made upon an insurer providing insurance coverage for a case, through the Maryland Insurance Commissioner, in lieu of actually serving the defendant, if the defendant is evading service of process or if the whereabouts of the defendant are unknown to the plaintiff and reasonable good faith efforts have been made to locate the defendant. Any judgment subsequently rendered shall be limited to the limits of the applicable insurance.

On written request of the plaintiff, the insurer must provide to the plaintiff any information known about the defendant's whereabouts. Based upon any such information, the plaintiff must make reasonable efforts to locate and actually serve the defendant. An insurer is immune from liability for the provision of this information.

The bill does not apply to health care malpractice claims, claims under the Local Government Tort Claims Act, or claims under the Maryland Tort Claims Act.

The bill's provisions apply to any case pending or filed on or after the bill's October 1, 1999 effective date.

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**Fiscal Summary**

**State Effect:** Potential increase in general and/or special fund revenues.

**Local Effect:** Potential increase in revenues.

**Small Business Effect:** Potential meaningful.

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## Fiscal Analysis

**State Effect:** The bill could result in increased revenues for the State from civil cases in which the State is the plaintiff and is able to obtain and collect on judgments against insured defendants through the use of the substituted service of process option (when it otherwise would not be able to do so). State judgment collections can be categorized as either general or special fund revenue, depending on the nature of the claim.

It is expected that any extra work for the Maryland Insurance Administration resulting from the bill could be handled with existing resources. The Maryland Insurance Administration is entitled to collect a \$15 fee for service of legal process.

**Local Revenues:** The bill could result in increased revenues for local governments in a similar manner as for the State.

**Small Business Effect:** The bill could result in increased revenues for small businesses in a similar manner as for State and local governments.

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**Information Source(s):** Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 1999  
ncs/jr

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