

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE  
Revised

House Bill 98 (Chairman, Judiciary Committee)  
(Departmental - Human Resources)

Judiciary

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Courts - Costs - Sheriffs' Fees

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This departmental bill authorizes sheriffs to collect fees for writ/warrant service based on the amount specified in a cooperative agreement with the Child Support Enforcement Administration (CSEA). The bill is to be construed retroactively and apply to all fees charged on or after July 1, 1992. It prohibits a court from awarding more than \$30 for writ/warrant service (and not the additional amount specified in a cooperative agreement) as part of the costs awarded to a party in a child support proceeding. It takes effect July 1, 1999.

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Fiscal Summary

**State Effect:** No effect. However, if the bill does not pass, State expenditures could increase by \$0.7 million in FY 2000 only.

**Local Effect:** Local jurisdictions that have not retained a fee-for-service arrangement could realize up to \$105,800 in annual aggregate savings (and a \$205,200 loss in federal fund reimbursement) beginning in FY 2000. Local jurisdictions that have retained a fee-for-service arrangement would realize an annual aggregate increase of \$103,400 in federal fund reimbursement beginning in FY 2000.

**Small Business Effect:** The Department of Human Resources has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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## Fiscal Analysis

**Background:** Current law authorizes a fee of \$30 for writ/warrant service to sheriffs' departments (except in Cecil County, for which a fee of \$35 is authorized). Sheriffs' departments that enter into a cooperative agreement with CSEA have been compensated at a higher rate than authorized by current law (\$245 fee for writ/warrant service) to reflect sheriffs' actual costs. These sheriffs' departments are reimbursed for 66% of their child support enforcement expenses by the federal government; the balance of 34% represents local costs. The \$245 fee was established by averaging the large, medium, and small jurisdiction costs for executing writ/warrant service.

However, because a higher fee is being paid to sheriffs than is authorized under State law, a \$1.1 million disallowance (\$0.7 million federal funds, \$0.4 million State funds) was placed against Maryland by federal auditors from the Office of Child Support Enforcement. Based on the federal disallowance, CSEA discontinued payment of the \$245 fee in fiscal 1999. The bill would nullify the disallowance.

**State Effect:** If the bill does not pass, State expenditures would increase by \$0.7 million in fiscal 2000 only to cover the federal portion of the disallowance, assuming that the State and not local jurisdictions would be responsible for covering the disallowance costs.

**Local Expenditures:** Sixteen sheriffs' departments have cooperative agreements with CSEA. Of those, nine had fee-for-service agreements and seven had full-service or combination agreements before CSEA discontinued payment of the \$245 fee. Because the fee decreased from \$245 to \$30, four of the nine sheriffs' departments with fee-for-service agreements switched from a fee-for-service arrangement to a full-service agreement or a combination full-service/fee-for-service agreement. Under a full-service agreement, one or more sheriff positions are dedicated solely to child support enforcement purposes. The full-service agreement covers these salary and overhead costs. Under a combination full-service/fee-for-service agreement, one or more sheriff positions are dedicated solely to child support enforcement purposes. The combination agreement covers these salary and overhead costs and \$30 for each writ/warrant service. The full-service and combination full-service/fee-for-service agreements are generally more expensive than a \$245 fee for each writ/warrant served.

These increased costs represent approximately \$311,000 in aggregate and are borne 66% by the federal government and 34% by local jurisdictions. Therefore, those four sheriffs' departments that switched from a fee-for-service arrangement to a full-service or combination full-service/fee-for-service cooperative agreement could realize up to \$105,800 in annual aggregate savings (and a \$205,200 loss in federal fund reimbursement) beginning

in fiscal 2000, assuming that they switch back to a fee-for-service arrangement with a \$245 fee.

Alternatively, the five local jurisdictions that retained a fee-for-service agreement have realized an aggregate decrease in reimbursement of \$103,400 in federal funds although their costs have remained constant. Instead of receiving \$182 in federal reimbursement under the \$245 fee, these jurisdictions are receiving \$20 under the \$30 fee. Therefore, if a \$245 fee were reinstated, these jurisdictions would realize an annual aggregate increase of \$103,400 in federal fund reimbursement beginning in fiscal 2000.

**Additional Comments:** The Department of Legislative Services (DLS) conducted a study in 1998 of sheriffs' fees in Maryland. DLS found that while the current \$30 fee covers the costs associated with a service of process in the majority of counties, total service of process revenues only cover about 41% of total costs for these services. The reason for this discrepancy is that approximately 19% of service of process is unsuccessful and fees are not recovered for some services performed (criminal and juvenile summonses). Raising the fee would result in a greater share of total costs associated with service of process being covered.

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**Information Source(s):** Department of Human Resources; Montgomery and Prince George's Counties; City of Baltimore; Department of Legislative Services, *Sheriffs' Fees in Maryland*, November 1998

**Fiscal Note History:**

First Reader - February 9, 1999

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Revised - House Third Reader - March 23, 1999

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