

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

Senate Bill 90 (Senator Baker)
Judicial Proceedings

Landlord and Tenant - Service of Process

This bill provides that in an action by a landlord for repossession of premises from a tenant, service of process may be directed to any person authorized under the Maryland Rules to serve process.

The bill applies to action to repossess premises filed on or after October 1, 2000.

Fiscal Summary

State Effect: None. The Judiciary's workload would not be materially affected by this bill.

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

Small Business Effect: Potential meaningful.

Analysis

Current Law: Except in Wicomico County, service of process in an action for repossession of premises must be made by a constable or sheriff.

Background: Under the Maryland Rules, service of process generally may be made by any legally competent person who is 18 or older and is not a party to the action.

State Fiscal Effect: Due to inclement weather, the Judiciary was unable to provide information in time for inclusion in this fiscal note. Based on the Judiciary's response to prior year bills, it is assumed that the Judiciary's workload will not be materially affected by this bill.

Local Fiscal Effect: Service of process fees in repossession actions are a significant source of revenues for local governments, especially the more urban jurisdictions. For example, these fees amount to approximately \$3 million per year in Baltimore City, approximately \$2 million in Prince George's County, and approximately \$315,000 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 goes to the local government's general fund. 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 repossession 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. The Baltimore City Sheriff's Office estimates that if its tack up function were to be eliminated, it would be necessary to lay off up to 28 people from the District Court Division.

Small Business Effect: Small process service businesses would gain business to the extent that they are called upon more frequently to serve process in actions to repossess premises as a result of this bill. Landlords could save money if they could arrange for service of process for less than the fee charged by the sheriff or constable.

Additional Information

Prior Introductions: A substantially similar bill was introduced as HB 618 in the 1998 session and received an unfavorable report from the House Economic Matters Committee. A bill allowing service of process under the Maryland Rules against a tenant for an action to repossess in Prince George's County was introduced in the 1997 and 1998 sessions. In 1997, HB 753 received an unfavorable report from the Senate Judicial Proceedings Committee. In 1998, HB 626 was withdrawn.

Cross File: None.

Information Source(s): Office of the Attorney General, Baltimore City, Montgomery and Prince George's counties, Department of Legislative Services

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