

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 481 (Chairman, Judiciary Committee)
(Maryland Judicial Conference)

Judiciary

Resident Agents - Service

This bill authorizes each local government and State agency not represented by the Attorney General to file notice with the State Department of Assessments and Taxation designating a State citizen, a corporation, or an officer of the government or agency as a resident agent to receive service of process and other legal notices.

The bill takes effect July 1, 2001.

Fiscal Summary

State Effect: General fund expenditures would increase by approximately \$16,000 in FY 2001 for computer programming. Potential efficiency savings for certain State agencies. No effect on revenues.

Local Effect: Potential efficiency savings for local governments. No effect on revenues.

Small Business Effect: Potential minimal.

Analysis

Current Law: There is no provision in law for the State and local governments to file notice with the State Department of Assessments and Taxation designating a resident agent.

State Fiscal Effect: Each year the State Department of Assessments and Taxation (SDAT) records over 25,000 business documents (excluding security interest filings). The anticipated number of filings from State agencies and local governments resulting from this bill would not add significantly to that number. Consequently, the bill would have little or no

operational effect on SDAT.

SDAT advises, however, that it would incur one-time computer programming costs of approximately \$16,000 to modify its business entity system as a result of the legislation. IBM Corp. has estimated that this work would take approximately 160 hours to complete, at the contract rate of \$100 per hour.

The bill would allow certain State agencies to clearly designate who should be served with summonses, subpoenas, and legal notices, making it easier for agencies to keep track of legal correspondence. To the extent that State agencies designate resident agents, efficiency savings would be realized.

Local Fiscal Effect: To the extent that local governments designate resident agents, the bill would create efficiency savings by making it easier for local governments to keep track of legal correspondence.

Small Business Effect: To the extent that State agencies and local governments designate resident agents, the bill would make it easier for law firms and process servers to serve the correct person when involved in legal matters with State agencies and local governments.

Additional Information

Prior Introductions: A similar bill was introduced during the 1999 session as HB 249, and received an unfavorable report from the Judiciary Committee.

Cross File: SB 215 (Maryland Judicial Conference) - Judicial Proceedings.

Information Source(s): State Department of Assessments and Taxation; Caroline, Howard, and Montgomery counties; Baltimore City; Department of Legislative Services

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cm/jr

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