

**Department of Legislative Services**  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**  
**Revised**

House Bill 357 (Delegates Dembrow and Montague)

Judiciary

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**Courts - Transfer of Structured Settlement Payment Rights**

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This bill provides that a direct or indirect transfer of structured settlement payment rights is effective if the transfer has been authorized in an order of a court based on a finding that:

- the transfer is necessary, reasonable, or appropriate;
- the transfer is not expected to subject the payee, the payee's dependents, or both to undue or unreasonable financial hardship in the future;
- the payee received independent professional advice regarding the legal, tax, and financial implications of the transfer; and
- the transferee disclosed to the payee the discounted present value.

The transferee must file with the Circuit court and serve on all interested parties a notice of the proposed transfer and an application for its authorization.

The bill applies to any transfer of structured settlement payment rights under a transfer agreement entered into on or after the bill's October 1, 2000 effective date. The bill does not imply that any transfer under a transfer agreement entered into prior to October 1, 2000 is ineffective.

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## Fiscal Summary

**State Effect:** The bill would mainly benefit private parties and would not significantly impact governmental operations or finances.

**Local Effect:** The bill would not significantly impact circuit court workloads.

**Small Business Effect:** Potential minimal.

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## Analysis

**Current Law:** A transfer of structured settlement payment rights in the form of workers' compensation benefits is prohibited, but the transfer of other structured settlement payment rights is not generally prohibited or regulated, except by the terms of each individual structured settlement agreement or annuity agreement or contract.

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## Additional Information

**Prior Introductions:** This bill was introduced during the 1999 session as HB 1171. That bill passed in the House and was referred to the Senate Rules Committee.

**Cross File:** None.

**Information Source(s):** Judiciary (Administrative Office of the Courts), Maryland Insurance Administration, Workers' Compensation Commission, Department of Legislative Services

**Fiscal Note History:** First Reader - February 15, 2000  
jncsjr Revised - Enrolled Bill - April 18, 2000

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