

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

Revised

House Bill 701 (Delegates Dembrow and K. Kelly)

Judiciary

Judicial Proceedings

Property Bondsmen - Requirements

This bill requires a property bondsman for compensation to provide to the court documentation of ownership, tax status, and liens against the property. A person who willfully provides false documentation is guilty of a misdemeanor and subject to maximum penalties of a fine of \$1,000 and/or imprisonment for one year.

The bill's provisions, and other specified existing provisions relating to property bondsmen, do not apply in the Seventh Judicial Circuit.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues and expenditures due to the bill's penalty provisions. Any increase in workload for the District Court could be handled with existing budgeted resources.

Local Effect: Potential minimal increase in expenditures due to the bill's incarceration penalty provision. Any increase in workload for the affected circuit courts could be handled with existing budgeted resources. Revenues would not be affected.

Small Business Effect: Minimal.

Analysis

Current Law: A "property bondsman" is defined as a person other than a defendant who executes a bail bond secured by real property in the State. A property bondsman may authorize an agent in writing to execute on behalf of the property bondsman: (1) a

bail bond; and (2) a declaration of trust or deed of trust to secure a bail bond by real estate.

If all other requirements of law are met, a person authorized by law to take a bail bond must take a bail bond secured by declaration of trust or deed of trust on real estate properly executed by an authorized agent of a property bondsman.

Each of the State's circuit courts has the authority to regulate bail bondsmen, by rule, within the circuit. The Office of the Bail Bond Commissioner in the Seventh Circuit (Calvert, Charles, Prince George's, and St. Mary's counties) oversees and administers bail-bonding activity pertaining to licensed bondsmen or surety companies. Under Maryland Rule 4-217, the Chief Clerk of the District Court has established requirements for the maintenance of a centralized statewide list of authorized bail bondspersons for the District Court.

Background: Unlike the circuit courts, the District Court accepts bonds 24 hours a day, seven days a week written by the clerks of the courts as well as the District Court Commissioners. Each year the District Court Commissioners accept about 11,250 property bonds statewide. An unknown number are also accepted by District Court clerks. The total value of property bonds statewide is unknown because the amount of private or corporate property used to cover a bond amount may greatly exceed the amount required with no cash changing hands.

State Revenues: General fund revenues could increase minimally as a result of the bill's monetary penalty provision from cases heard in the District Court.

State Expenditures: General fund expenditures could increase minimally as a result of the bill's incarceration penalty due to increased payments to counties for reimbursement of inmate costs and more people being committed to Division of Correction (DOC) facilities. The number of people convicted of this proposed crime is expected to be minimal.

Persons serving a sentence of one year or less in a jurisdiction other than Baltimore City are sentenced to a local detention facility. The State reimburses counties for part of their incarceration costs, on a per diem basis, after a person has served 90 days. State per diem reimbursements for fiscal 2002 are estimated to range from \$9 to \$52 per inmate depending upon the jurisdiction. Persons sentenced to such a term in Baltimore City are generally incarcerated in a DOC facility. Currently, the DOC average total cost per inmate, including overhead, is estimated at \$1,700 per month. This bill alone, however, should not create the need for additional beds, personnel, or facilities. Excluding

overhead, the average cost of housing a new DOC inmate (including medical care and variable costs) is \$288 per month.

Local Expenditures: Expenditures could increase as a result of the bill's incarceration penalty. Counties pay the full cost of incarceration for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of local detention facilities are expected to range from \$17 to \$77 per inmate in fiscal 2002.

Additional Information

Prior Introductions: A similar bill, HB 670, was introduced during the 2000 session. That bill was withdrawn. Bills relating to Baltimore City bail bondsmen were introduced during the 1997 session (SB 740 and HB 919) and the 1999 session (HB 1132). In 1997, SB 740 passed the Senate, was heard by the House Judiciary Committee, but no action was taken on it; HB 919 was heard by the House Judiciary Committee and was later withdrawn. In 1999, HB 1132 received an unfavorable report by the House Judiciary Committee.

Cross File: None.

Information Source(s): Judiciary (District Court, Administrative Office of the Courts), Department of Legislative Services

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