

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE**Revised**

Senate Bill 131 (Senator Baker)

Judicial Proceedings

Commerce and Government Matters

Dishonored and Bad Checks - Collection Fee

This bill increases the amount of the collection fee, from \$25 to \$35, for which the maker or drawer of a dishonored check is liable to the holder if the check has not been paid within 30 days after the holder has sent a notice of dishonor. The bill makes the civil liability of the writer of a dishonored check mandatory, rather than discretionary. The bill also increases the amount, from \$25 to \$35, that a court may order a defendant to pay as a collection fee for each bad check upon conviction of the offense of obtaining property or services by a bad check.

Fiscal Summary

State Effect: Any change in State activities would not materially affect State finances.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Obtaining property or services whose value is \$500 or more with a bad check is a felony, with a maximum penalty of a \$1,000 fine and/or 15 years imprisonment. Obtaining property or services whose value is less than \$500 with a bad check is a misdemeanor, with a maximum penalty of a \$100 fine and/or 18 months imprisonment. Upon conviction, a court may also order: (1) restoration of the property if it is recovered; (2) restitution; and (3) a collection fee of up to \$25 for each bad check to the person having a property interest in the property or to the person who provided the

services. When a check or other instrument has been dishonored and has not been paid within ten days, the holder may send a dishonor notice to the maker or drawer. If the check or instrument has not been paid within 30 days, the maker or drawer may be liable for: (1) the amount of the check or instrument; (2) a collection fee of up to \$25; and (3) up to twice the amount of the check, capped at \$1,000.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Office of the Attorney General; Department of Legislative Services

Fiscal Note History: First Reader – January 29, 2001
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