Department of Legislative Services

Maryland General Assembly 2008 Session

FISCAL AND POLICY NOTE

Senate Bill 125

(Senator Brochin, et al.)

Judicial Proceedings and Education, Health, and Environmental Affairs

Judiciary

Courts - Service of Process - Increase in Sheriff's Fees - Distribution to Rental Allowance Program Fund

This bill increases the fees collected by county sheriffs for service of process and other papers. The entirety of this fee increase is to be distributed to a newly created Rental Allowance Program Fund to support the Rental Allowance Program in the Department of Housing and Community Development.

Fiscal Summary

State Effect: Special fund revenues would increase substantially based on the increase in fees collected by the county sheriffs and could exceed \$1 million annually. The Judiciary would incur expenses of approximately \$500 to print and distribute a new fee schedule.

Local Effect: None. Any additional money collected by the county sheriffs would be distributed to the Rental Allowance Program Fund.

Small Business Effect: None.

Analysis

Bill Summary: This bill increases the fees that a sheriff is required to collect:

- from \$40 to \$50 for service of a paper not including an execution or attachment;
- from \$40 to \$50 for service including an execution or attachment by taking into custody a person or seizing real or personal property;

- from \$40 to \$50 for service of process papers arising out of administrative agency proceedings where the party requesting the service is a nongovernmental entity; and
- from \$60 to \$70 for service of a paper originating from a foreign court.

Current Law: Service of process may be made by a sheriff or, except as otherwise provided, by a competent person 18 years of age or older, including an attorney of record, but not by a party to the action. All process requiring execution other than delivery, mailing, or publication, shall be executed by the sheriff of the county where execution takes place, unless the court orders otherwise.

County sheriffs are entitled to collect fees for service of process and other actions during court proceedings involving the sheriff's office. These fees include:

- \$5 for service of summary ejectment papers;
- \$40 for service of a paper not including an execution or attachment;
- \$40 for service including an execution or attachment by taking a person into custody or seizing property;
- \$40 for service of process papers arising out of administrative agency proceedings where the party requesting the service of process is a nongovernmental entity; and
- \$60 for service of a paper originating from a foreign court.

The Rental Allowance Program is administered by the Department of Housing and Community Development's Division of Development Finance. The program was established for the purpose of providing fixed monthly rental allowance payments for the benefit of lower-income households. The fiscal 2009 budget allowance for the Rental Allowance Program is \$2.4 million, of which \$1.7 million is allocated from general funds and \$0.7 million is allocated from federal funds.

Background: Chapter 431 (HB 740) of 2007 increased various fees for service of process and other papers (except for service of summary ejectment papers) from \$30 to \$40 and established the \$60 fee for service of a paper originating from a foreign court.

State Revenues: Rental Allowance Program Fund revenues would be substantial and equal to the amount of the fee increase collected by the county sheriffs. Not all counties use their sheriffs to serve process or other court papers. Among the counties that do use their sheriffs for this purpose, some do not track the fees collected. For these reasons, it is not possible at this time to produce a reliable estimate of the revenues created for the Rental Allowance Program Fund from this source. However, the following counties have

provided data on fees collected by their sheriffs for service of process and other court papers:

- in Anne Arundel County, approximately \$1.2 million will be collected in fiscal 2008 for service of process;
- in Frederick County, approximately \$482,000 was collected in fiscal 2006 for service of process and other court papers; and
- in Cecil County, approximately \$91,700 was collected in fiscal 2007 for service of process and other court papers.

Based on these figures, sheriffs in these three counties would collect an additional \$328,600 in fiscal 2009 and \$438,200 in fiscal 2010 and subsequent years under the fee increase proposed in this bill. Since these jurisdictions account for only 15% of the Sate's population, actual revenue collections would be considerably higher and could exceed \$1 million annually.

State Expenditures: The Judiciary would incur expenses of approximately \$500 to print and distribute a new fee schedule.

Local Expenditures: Any overhead costs associated with collecting the fees and distributing them to the Rental Allowance Program Fund could be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Cecil County, Montgomery County, Prince George's County, Harford County, St. Mary's County, Caroline County, Judiciary (Administrative Office of the Courts), Department of Housing and Community Development, Department of Legislative Services

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