

Department of Legislative Services
 Maryland General Assembly
 2011 Session

FISCAL AND POLICY NOTE
Revised

House Bill 523 (Delegates Rosenberg and Dumais)
 Judiciary and Ways and Means Education, Health, and Environmental Affairs
 and Judicial Proceedings

Courts - Fee for the Special Admission of an Out-of-State Attorney - Janet L. Hoffman Loan Assistance Repayment Program

This bill requires the State Court Administrator to assess a \$100 fee for the special admission of an out-of-state attorney and to pay \$75 of the fee to the Janet L. Hoffman Loan Assistance Repayment Program (LARP). Any revenues paid to LARP from the \$100 fee must be allocated to assist eligible law school graduates whose applications for loan repayment assistance under LARP were denied by the Maryland Higher Education Commission (MHEC) due to insufficient funds.

Fiscal Summary

State Effect: General fund revenues and expenditures increase by \$36,600 in FY 2012 for MHEC to administer LARP. Future year revenues and expenditures assume a stable number of out-of-state attorney admissions and annualization. Any programming changes to facilitate collection and payment of the fee can be handled with the existing resources of the Judiciary.

(in dollars)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
GF Revenue	\$36,600	\$48,800	\$48,800	\$48,800	\$48,800
GF Expenditure	\$36,600	\$48,800	\$48,800	\$48,800	\$48,800
Net Effect	\$0	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Although an attorney must generally be admitted to the Maryland Bar to practice law in the State, on a motion filed in accordance with the Maryland Rules, a court may grant special admission for out-of-state attorneys to practice law in a particular case. The individual must be admitted to the bar of another state and employed by a party in the case before a court or other unit of State government or a political subdivision of the State. The special admission may be granted only by the court hearing the case or, if the case is before a unit other than a court, by the circuit court in the county where the unit has its principal office or any circuit court to which the case may be appealed. The individual may practice law only in connection with the case for which the special admission is granted, and is subject to disciplinary proceedings as provided by the Maryland Rules.

Background: The circuit courts and appellate courts charge a \$25 fee for appearances by out-of-state attorneys. The District Court does not charge a fee. **Exhibit 1** states the number of out-of-state attorneys who made appearances in Maryland courts from fiscal 2008 through 2010.

Exhibit 1 Out-of-state Attorney Appearances in Maryland Courts Fiscal 2008-2010

<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
575	685	694

Source: Maryland Judiciary (Administrative Office of the Courts)

The Janet L. Hoffman Loan Assistance Repayment Program provides loan repayment assistance in exchange for service commitments to Maryland residents who provide public service in Maryland State or local government or nonprofit agencies in Maryland to low-income or underserved residents. Eligible employment fields include lawyers, nurses, nurse faculty members, physical and occupational therapists, social workers, speech pathologists, physician assistants, and certain teachers.

Exhibit 2 shows the awards and applications received by LARP in fiscal 2010.

Exhibit 2
Applications Received and Awards Made by LARP in Fiscal 2010
According to Profession

Field	Number of Eligible Applicants	Number of Awards Made	Percentage of Total Awards Made
Law	71	29	40%
Social Work	215	118	55%
Teaching	213	101	47%
Nursing	119	54	43%
OTPT	5	3	60%
Speech Pathology	9	6	67%
Nurse Faculty	7	5	71%
Physician Assistance	0	0	0%
Total	639	316	49%

OTPT = Occupational and physical therapists

Source: Maryland Higher Education Commission; Department of Legislative Services

LARP has a *Managing for Results* goal of granting awards to 64.3% of eligible applicants by fiscal 2013. The proposed State budget contains an allowance of \$1.5 million in fiscal 2012 for LARP.

State Fiscal Effect: The bill requires Maryland courts to charge \$100 for the special admission of an out-of-state attorney, \$75 of which would be distributed to LARP. Between fiscal 2008 and 2010, an average of 651 out-of-state attorney appearances were made in Maryland courts each year. Assuming that out-of-state attorneys typically do not appear in the District Court and that the number of out-of-state attorney admissions remains constant, general fund revenues for LARP would increase by \$36,619 in fiscal 2012, which accounts for the bill's effective date. Future year annual revenues would increase by \$48,825.

Any revenues paid to LARP from the \$100 fee must be allocated to assist eligible law school graduates whose applications for loan repayment assistance under LARP were denied by MHEC due to insufficient funds. Accordingly, State expenditures increase by \$36,619 in fiscal 2012 and by \$48,825 annually thereafter.

The circuit courts and appellate courts charge a \$25 fee for out-of-state attorney admissions. The District Court does not charge a fee. Assuming that out-of-state attorneys typically do not seek admission for District Court cases, revenues for the Judiciary would not be affected since the Judiciary would still receive \$25 per out-of-state attorney admission under the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Higher Education Commission, Judiciary (Administrative Office of the Courts), Department of Budget and Management, Department of Legislative Services

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