

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 719
Judiciary

(Delegate Sydnor, *et al.*)

District Court Jurisdiction - Uninsured Motorist Claim

This bill expands the original civil jurisdiction of the District Court to include a civil action for first-party motor vehicle insurance benefits for uninsured motorist coverage under Title 19, Subtitle 5 of the Insurance Article in which (1) the damages claimed do not exceed \$50,000, exclusive of prejudgment or postjudgment interest, costs, and attorney's fees, if attorney's fees are recoverable by law or contract and (2) the amount of the uninsured motorist's liability insurance coverage does not exceed \$30,000.

The bill applies prospectively to cases filed on or after the bill's October 1, 2015 effective date.

Fiscal Summary

State Effect: The bill's shifting of cases from the circuit courts to the District Court is not expected to materially affect State finances.

Local Effect: The bill's shifting of cases from the circuit courts to the District Court is not expected to materially affect local finances.

Small Business Effect: Potential minimal.

Analysis

Current Law/Background: The District Court of Maryland was created by an amendment to the Maryland Constitution in 1970, and began operating as a court of record in 1971. Located in all counties and Baltimore City, it operates as a unified system with a statewide jurisdiction. The District Court has jurisdiction over a variety of civil and criminal cases of specific types.

Its exclusive civil jurisdiction includes the following types of cases: (1) civil cases involving claims up to \$5,000; (2) landlord-tenant disputes; and (3) replevin claims. The District Court does not hear civil cases involving claims above \$30,000. In general, the District Court has concurrent jurisdiction with the circuit courts in claims for amounts above \$5,000 but not exceeding \$30,000.

Maryland law requires an owner of a motor vehicle that is required to be registered in the State to maintain insurance for the vehicle during the registration period. The security required must provide at least the payment of claims (1) for bodily injury or death arising from an accident of up to \$30,000 for any one person and up to \$60,000 for any two or more persons; (2) for property of others damaged or destroyed in an accident of up to \$15,000; (3) unless waived, for personal injury protection of \$2,500 per person; and (4) for uninsured motorist coverage in the same amounts as required for bodily injury or death.

Uninsured motorist coverage is not obligatory in every state; therefore, some insured drivers are not covered when they are hit by an uninsured driver. Maryland law requires drivers to purchase uninsured motorist coverage.

State Fiscal Effect: The bill's shifting of cases from the circuit courts to the District Court is not expected to materially affect State finances.

The Judiciary advises that the bill's shifting of cases from the circuit courts to the District Court results in an increase in District Court trials, requiring additional court and clerical time. Also, cases involving higher amounts typically involve longer amounts of time to adjudicate, which may affect caseload time standards. In addition, any appeal over \$5,000 is on the record, so appeals from these cases may result in the preparation of additional District Court transcripts.

Regardless, the Judiciary advises that it does not anticipate a significant fiscal or operational impact on the District Court.

Small Business Effect: District Court cases usually proceed more quickly and follow more simplified procedures than circuit court cases. Consequently, the bill may result in an accelerated resolution and reduced legal costs for small businesses that file lawsuits for first-party motor vehicle insurance benefits for uninsured motorist coverage affected by the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Insurance Administration, Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2015
min/kdm

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