

Department of Legislative Services  
 Maryland General Assembly  
 2023 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 154 (Delegate Wells)  
 Judiciary

Workgroup to Study the Impact of Court-Mandated Fines and Fees

This bill establishes the Workgroup to Study the Impact of Court-Mandated Fines and Fees, staffed by the Administrative Office of the Courts (AOC). The workgroup must (1) study the impact of court-mandated fines and fees on low-income residents and the revenue structure that relies on court-mandated fines and fees; (2) develop a plan and legislative recommendations for eliminating or reducing court-mandated fines and fees; (3) collect specified data about court-mandated fines and fees; and (4) create a comprehensive database of court-mandated fines and fees, as specified. The workgroup must report its plan and legislative recommendations to the General Assembly by December 31, 2023. **The bill takes effect June 1, 2023, and terminates June 30, 2024.**

Fiscal Summary

**State Effect:** General fund expenditures increase by up to \$1.3 million in FY 2024 only for programming and staffing costs for the Judiciary. Potential minimal costs for other State agencies to provide information to the workgroup. Revenues are not affected.

(\$ in millions)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1.3	0	0	0	0
Net Effect	(\$1.3)	\$0.0	\$0.0	\$0.0	\$0.0

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

**Local Effect:** Potential minimal costs for local governments to provide information to the workgroup. Revenues are not affected.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** The bill requires collection of the following data: (1) a schedule of fines and fees imposed by courts or any government agency for misdemeanors, felonies, and traffic violations (disaggregated by type and jurisdiction); (2) the amount imposed and collected from each type of fine and fee from fiscal 2017 through 2022; (3) the specific budget allocation for each fine and fee imposed by State and local jurisdictions from fiscal 2018 through 2022; and (4) the legislative authority for the assessment of each fine. The workgroup is also required to create a comprehensive database of court-mandated fines and fees imposed by State and local jurisdictions, as specified.

The workgroup must elect a chair from among its members. Workgroup members may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations.

**Current Law:** Numerous court-mandated fines and fees may be imposed by the courts and other government entities. These include fees (*e.g.*, filing fees, service fees, etc.) at the initiation of a case and fines/fees that may be imposed depending on the resolution of a particular case. The fines and fees collected are generally allocated to a variety of sources under statute, including (1) the State general fund; (2) the general funds of the local jurisdictions; and (3) numerous State special funds.

**State/Local Fiscal Effect:** The Judiciary notes that fines and fees it imposes are recorded in the Maryland Electronic Courts (MDEC) case management system and other case management systems, while the fines collected are recorded in a separate database of the Department of Budget and Finance of AOC. Because the charge code used for a fine or fee does not always match the revenue account associated with the collection, significant programming changes are needed in order to provide the specific data required by the bill. According to an estimate provided by the Judiciary, programming costs may be as high as \$1,233,573.

Furthermore, the Judiciary advises that the bill may require hiring one full-time Senior Program Manager to staff the workgroup, oversee the data collection, and assist as needed in the creation and maintenance of the database until the workgroup ends on June 30, 2024. The Department of Legislative Services assumes that given the responsibilities of the workgroup (and the short timeframe during which it must complete its work), a designated staff person is likely needed. Accordingly, general fund expenditures increase by up to \$1,344,016 in fiscal 2024 for the Judiciary to provide coordinated data on the fee amounts imposed and collected, staff the workgroup, and assist in the creation of a comprehensive database of imposed fines and fees. This estimate reflects the cost of hiring one contractual program manager and includes the salary, fringe benefits, and one-time start-up costs associated with the contractual position, as well as the aforementioned programming costs.

Contractual Position	1.0
Salary and Fringe Benefits	\$102,769
Programming Costs	1,233,573
Operating Expenses	7,674
<b>FY 2024 State Expenditures</b>	<b>\$1,344,016</b>

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

This analysis assumes that although the bill takes effect June 1, 2023, the Judiciary does not incur expenditures until fiscal 2024. This estimate also assumes termination of the contractual employee and any responsibilities to maintain the database once the bill terminates June 30, 2024.

Other State agencies and local governments may incur additional expenditures to provide information to the workgroup, depending on the extent to which the information required to be collected is readily accessible. It is assumed that any potential expenditures associated with this responsibility are minimal and do not further materially affect State/local finance and operations.

Any expense reimbursements for workgroup members are assumed to be minimal and absorbable within existing budgeted resources.

### **Additional Information**

**Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 1199 of 2022.

**Designated Cross File:** None.

**Information Source(s):** Judiciary (Administrative Office of the Courts); Department of Legislative Services

**Fiscal Note History:** First Reader - January 24, 2023  
km/jkb

Analysis by: Joanne E. Tetlow

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510