

Testimony SB0099 Bad Check Fee Duvall.pdf

Uploaded by: Kathleen Duvall

Position: FAV

SB0099 Courts and Judicial Proceedings - Circuit Courts and District Court - Dishonored Checks - Service Charges

Judicial Proceedings Committee – January 25, 2023

Sponsor: Senator Pamela Beidle

Position: Favorable

Testimony of Kathleen Duvall, Clerk of the Circuit Court, Talbot County

Thank you, Chairman Smith, Vice Chairman Waldstreicher, and members of the committee, for this opportunity to testify in support of Senate Bill 99. For the record, my name is Kathleen Duvall, Clerk of the Circuit Court for Talbot County and Chair of the Maryland Conference of Circuit Court Clerks.

The Clerks of the Circuit Court support SB 99 because it increases the service charge for dishonored checks, which are checks that are returned for insufficient funds. The current service charge, which has not been updated since 1978, is \$10. This bill proposes to increase the service charge to \$30, which is the same level that is currently assessed by the Comptroller's Office for dishonored checks written to the state.

The Clerks believe that updating the service fee to \$30 would be a more accurate reflection of the administrative burden imposed on our offices when a check is returned for insufficient funds. When a check is returned from the State Treasurer's Office, the court's records need to be amended to reflect that a required fee was not paid. Likewise, the accounting records and disbursements of funds to state, county and city financial agencies must be amended and corrected. The Clerk then begins the collection efforts, and it sometimes results in the funds ultimately being turned over to the Central Collection Unit, which then needs to expend additional resources to compel payment. And if the fee is eventually collected then court and accounting records need to be revised again to reflect the payment has been

received. As you can see, there are multiple steps in processing a returned check and it is quite labor intensive. The current fee of \$10 doesn't come close to covering the costs of processing the returned check.

Raising the service charge may also provide more of a deterrent to individuals from engaging in this behavior and thereby causing the administrative burden that could have been avoided.

The Circuit Court Clerks hope you will give a favorable report on SB 99, and we would like to thank Senator Beidle for sponsoring this bill. Thank you for the opportunity to comment, and I am available if you have any questions.

Testimony SB 99 El Amin.pdf

Uploaded by: Mahasin El Amin

Position: FAV

SB0099 Courts and Judicial Proceedings - Circuit Courts and District Court - Dishonored Checks - Service Charges

Judicial Proceedings Committee – January 25, 2023

Sponsor: Senator Pamela Beidle

Position: Favorable

Testimony of Mahasin El Amin, Clerk of the Circuit Court, Prince George’s County

Thank you, Chairman Smith, Vice Chairman Waldstreicher, and members of the committee, for this opportunity to testify in support of Senate Bill 99. For the record, my name is Mahasin El Amin, Clerk of the Circuit Court for Prince George’s County.

The Clerks of the Circuit Court support SB 99 and the proposal to increase the service fee for dishonored checks. This has become an increasing problem for the Clerks’ offices that process these checks.

The Judiciary currently receives roughly 720 dishonored checks each year. In fiscal year 2022, the total dollar value of these checks was almost half a million dollars. These are funds owed to the state of Maryland for fees that are collected by the Clerks. The great majority of these dishonored checks are for taxes on property purchases, business and marriage license fees, and fees related to civil lawsuits.

One comment we received when we were working on this proposed service charge was concern expressed by the Office of Public Defender with any potential impact that it may have on criminal defendants with limited financial means. We understand their concern about not adding to the financial burden of their clients. In response, we reviewed approximately three thousand dishonored checks received by the Circuit Courts and the District Courts throughout the state over the last three fiscal years. Out of those three thousand returned checks we eventually identified only 13 that were written by any client represented by a public defender. Therefore, if the service fee for writing a bad check to the Clerk were raised from the current level of \$10 to the proposed level of \$30, the total

additional fiscal impact on clients represented by a public defender would have been \$260 over three years. We do not believe this very limited impact would warrant keeping the service fee unchanged just for clients represent by a public defender, or for forgoing the service fee increase entirely. The most common dishonored checks received by the Clerks is for land recordings and licenses when payment is due at the time of service which is the recording and issuance of any license. When that happens, the land recording must stay on record, and licenses are already issued, however it creates an administrative burden on the Clerk's Offices that is much more than the \$10 service fee that is currently being charged, and the additional \$20 should not have a significant negative impact on the payees or the public. That is why we favor raising the service fee to the same \$30 level currently being charged by the Comptroller's Office when they receive a bad check for a tax payment.

The Circuit Court Clerks hope you will give a favorable report on SB 99, and we would like to thank Senator Beidle for sponsoring this bill. Thank you for the opportunity to comment, and I am available if you have any questions.

sb99.pdf

Uploaded by: Matthew Pipkin

Position: FAV

**MARYLAND JUDICIAL CONFERENCE
GOVERNMENT RELATIONS AND PUBLIC AFFAIRS**

Hon. Matthew J. Fader
Chief Justice

187 Harry S. Truman Parkway
Annapolis, MD 21401

MEMORANDUM

TO: Senate Judicial Proceedings Committee
FROM: Legislative Committee
Matthew Pipkin, Jr.
410-260-1561
RE: Senate Bill 99
Circuit Courts and District Court - Dishonored Checks - Service Charges
DATE: January 23, 2023
(1/25)
POSITION: Support

The Maryland Judiciary supports Senate Bill 99. As requested by the Clerks of the Court, this bill seeks to increase the amount of the service charge that may be imposed by a circuit court or the District Court for a dishonored check.

Increasing the service charge better reflects the cost and time-consuming process involved when dealing with dishonored checks. The increase from \$10.00 to \$30.00 was determined by matching the fee issued by the Comptroller for a dishonored check.

cc. Hon. Pamela Beidle
Judicial Council
Legislative Committee
Kelley O'Connor