

FROM	NAME & TITLE	Andrew W. Kleine, Chief <i>AK</i>
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 469, City Hall (396-4941)
	SUBJECT	City Council Bill: CCB10-0602 Marriage License Fee

CITY of
BALTIMORE
MEMO



TO

The Honorable President and
Members of the City Council
C/O Karen Randle
Room 409, City Hall

DATE: November 15, 2010

Attention: Karen Randle

This bill is for the purpose of increasing the additional fee for a marriage license to be dedicated and used for domestic violence.

Analysis:

The basic license fee is set in State law at \$10 statewide. Section 2-404 pursuant to State Legislation was enacted in 1983 and amended in 1986 (Chapter 227) provides that any County or group of two or more counties may, by local legislation, set an additional fee of up to \$25 for each license to fund domestic violence programs, unless a different fee is specified. Counties may elect to increase this fee from \$25 to State caps of: Anne Arundel, Montgomery and Prince George's Counties, \$45; Baltimore County \$15; Calvert County, \$55; Cecil County \$20; Charles County, \$35; Frederick County \$65; Garrett and Harford Counties, \$40; Washington County, \$50 and Baltimore City \$75.

In Baltimore City, the domestic violence funds are used to support the "House of Ruth, Inc." The appropriation is part of the Safer City – Coordination of Public Safety (758) services.

The fee history is as follows:

	Current Ord. #749 <u>Eff. 7/1/86</u>	Prior Ord. #986 <u>Eff. 7/1/83</u>	Prior to <u>7/1/83</u>
Clerk of Courts	\$ 5	\$ 5	\$5
City General Fund	\$ 5	\$ 5	\$5
Domestic Violence	<u>\$25</u>	<u>\$15</u>	<u>\$5</u>
TOTAL	\$35	\$25	\$15

The collection of the fee is managed by the Clerk of Court's office. The Clerk of Courts forwards revenues to the State Comptroller's office. The State Comptroller's Office makes distributions to all the local governments.

In general, earmarking funds is a poor fiscal management process. The appropriations process is designed to allocate taxes and fees to the best and highest uses. Earmarking circumvents that process by removing the allocation decision from the appropriation process. However, in this case, marriage fees are set by the State and only the domestic violence earmark can be changed by the City.

Fiscal Impact

Additional fees levied against residents will increase the tax effort with no benefit to the City's fiscal position in that the additional funds are distributed to nonprofit organizations and not the General Fund. The fee will also diminish the tax capacity making it more difficult to collect revenue in the future. While the amount in this proposal is small and is not expected to significantly impact tax effort and capacity, it does have a cumulative effect when taken with other similar legislation.

The domestic violence fee is currently set at \$25 with the proposal raising it to \$75, the maximum permissible under State law. Based on the FY 2011 budget it is anticipated that this will raise an additional \$210,000 for domestic violence to total of \$315,000.

Marriage License Fee Projection by Allocation		
	Current	Proposed
State	\$ 21,000	\$ 21,000
General Fund	\$ 21,000	\$ 21,000
Special Fund	\$ 105,000	\$ 315,000
Total	\$ 147,000	\$ 357,000

Recommendation

Because of the small amounts and the existence of State legislation limiting the fee increase to domestic violence, the Department of Finance does not oppose CCB10-0602.

Cc: Edward J. Gallagher
Angela Gibson
William Voorhees

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