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LD640 An Act Requiring Certain Fees Charged by the Courts for Court-Ordered Payments Be Capped and Paid by the Defendant

Testimony of Rep. Henderson - Rumford
March 6th, 2025

Senator Carney, Representative Kuhn, and distinguished members of the Joint Standing Committee on Judiciary. I am Rachel Henderson, and I have the distinct honor of representing the people of District-78 in the Maine House. My district is comprised of the beautiful towns of Bethel, Byron, Hanover, Milton TWP, Roxbury, and my home town of Rumford.

I stand before you today to introduce my bill LD640 An Act Requiring Certain Fees Charged by the Courts for Court-Ordered Payments Be Capped and Paid by the Defendant.

The catalyst behind this bill came to my attention on October 1st 2023.

I'd like to share the story of Brad Dyer, a successful business owner from our community. After years of hard work and dedication, Brad faced an unfortunate legal battle that culminated in a lawsuit. After much effort, he ultimately emerged victorious, winning a judgment of approx. $400,000. This amount was not just a number; it represented justice, years of work, the future of his business, and the livelihood of his family and future employees.

However, upon the resolution of his case, Brad was shocked to discover that the Maine courts imposed a 5% fee on the funds held in trust during the proceedings. This meant that from his hard-fought victory, approx. $20,000—an amount that could have been used to invest in his business, support his family, or even contribute to local charities—was taken as a fee.

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Although I understand that the courts were not acting out of spite or malice; they were simply enforcing the law as it is currently written, it does raise an important question: Is it equitable to impose such a fee on individuals who have already faced significant financial and emotional strain during a lawsuit?

My bill makes two changes
(Disclaimer: I am not a legislative analyst)

1. Court Fee Cap: This fee is 5% of the total amount of funds awarded, but it cannot exceed $1,000.

2. Losing Party Fee: In specific cases where funds are held in trust, the "loosing party" would be required to pay the court fee.

Unchanged Parts of the Law

Unclaimed Funds: If there are funds that remain unclaimed for 20 years after they are supposed to be paid out, the court clerk must take action. They will need to get a court order to advertise the situation for three weeks in a local newspaper.

Forfeiture to the State: If no one claims those funds within 60 days after the last advertisement, the funds will be forfeited, meaning they will no longer belong to the claimant and will instead go to the State Treasury.

Historical Application: The rules about forfeiting unclaimed funds also apply to any funds that have been held by the court clerk for 20 years or more before September 16, 1961.

While it's important to recognize the rationale behind charging a fee, as it helps offset the administrative costs of the court, shifting the impact to the losing side must also be acknowledged. That is why Implementing a reasonable cap on these fees would ensure the individual or entity paying is not burdened with excessive costs, while still recognizing the need for the losing party to contribute to the judicial process. By doing so, we can strike a balance between upholding the principles of fairness and ensuring that the legal system remains accessible and just for all parties involved. It's time to reconsider how we structure these fees to ensure that our courts serve justice without adding undue hardship to those already in distress.

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In conclusion, I urge you to consider the voices of business owners like Brad Dyer. A cap on the fees imposed by Maine courts on funds held in trust during lawsuit proceedings is a necessary step toward fairness.

Thank you.