



Administrative Office of the Courts

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Judicial Branch testimony neither for nor against LD 640, An Act Requiring Certain Fees Charged by the Courts for Court-ordered Payments be Capped and Paid by the Defendant:

Senator Carney, Representative Kuhn, members of the Joint Standing Committee on Judiciary, my name is Julie Finn and I represent the Judicial Branch. I would like to provide some brief testimony regarding this bill.

This bill proposes changes to the last paragraph of 4 M.R.S. § 556, which currently applies to disbursement of funds in escrow. The statute requires that when the court orders disbursement of escrow account funds, "all accrued interest must be paid to the claimant, less a 5% fee based on the total proceeds, unless otherwise ordered by the court." This language is ambiguous, as the fee could either refer to 5% of the total amount disbursed or 5% of the accrued interest. Legislative history shows that the fee is likely only intended to apply to the accrued interest.

The Judicial Branch makes two suggestions regarding this bill: (1) amend the language to clarify the amount to which the 5% applies; and (2) remove the term "losing party" from the LD because that is not a legal term and is inapplicable to interest accrued on funds in escrow.

The Judicial Branch therefore recommends the changes below, which includes our two suggestions, while meeting the needs of the bill's sponsor:

Whenever any ~~of these~~ funds are ordered by the courts to be paid to a person entitled to these funds, all accrued interest ~~shall~~ must be paid to the claimant less ~~The losing party shall pay the court a~~ 5% fee based on the total ~~proceeds~~ amount of accrued interest, capped at \$1,000, unless otherwise ordered by the court. Whenever any ~~of these~~ funds remain unclaimed for 20 years from the date when payable under the court judgment or decree, the clerk shall obtain an order from the court, under whose judgment or decree these funds were placed in the clerk's custody, that a comprehensive abstract of the facts be advertised for 3 weeks successively in a newspaper of general circulation published in the county, and, if no one appears to claim these funds within 60 days after

the date of the last publication, the funds ~~shall~~ become forfeited to the State and must be paid by the clerk to the Treasurer of State. That portion of this section providing for the forfeiture of unclaimed funds ~~shall apply~~ applies to funds held by the clerk of courts for 20 years or more prior to September 16, 1961.

Thank you for your time. I would be happy to answer any questions.

Pinette, Susan

From: Murphy, Elias
Sent: Thursday, March 6, 2025 10:51 AM
To: Legislature: Committee on Judiciary
Subject: FW: LD 640

Judiciary Committee members,

Please see below a response from Julie Finn regarding the final points made during her testimony on LD 640 An Act Requiring Certain Fees Charged by the Courts for Court-ordered Payments Be Capped and Paid by the Defendant.

Thank you,
Eli

From: Finn, Julia <julia.finn@courts.maine.gov>
Sent: Thursday, March 6, 2025 10:45 AM
To: Murphy, Elias <Elias.Murphy@legislature.maine.gov>
Subject: LD 640

This message originates from outside the Maine Legislature.

Eli,
Here is the info that was just requested by Rep Pugh:

- The 5% fee has been calculated on the total amount in escrow (original amount of deposit(s) plus interest).
- The 5% fee is deposited in to the General Fund as a miscellaneous fee code which remains in the general fund as income.
- The 5% fee is rarely ordered by the judge. Since February 2022, it has been ordered 9 times with an average amount of around \$500. One outlier exists, for an amount of \$20,000 for the fee.

-Julie

JULIA FINN, ESQ. | Legislative Analyst

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She/Hers