151st GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**SENATE SUBSTITUTE NO. 1 FOR SENATE BILL NO. 101**
SPONSOR:	**Senator Townsend**
DESCRIPTION:	**AN ACT TO AMEND TITLE 25 OF THE DELAWARE CODE RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE.**

Assumptions:

1. This Act becomes effective 120 days upon signature by the Governor.
2. This Act creates a right to counsel, or legal representation, for eligible tenants related to eviction or other landlord-tenant issues in a judicial or administrative proceeding. Other provisions of this Act relevant to this fiscal projection include:
   a. the establishment of a Coordinator to contract with legal services providers for the provision of representation in proceedings covered by the Act;
   b. authorizes the Coordinator to work with community organizations for outreach and education around the right to counsel; and
   c. authorizes the creation of an eviction diversion program modeled after the Residential Mortgage Foreclosure Mediation Program.
3. Approximately 18,000 eviction filings and other matters are filed each year in this State. It is estimated that 68.7%, or 12,366, of those filed cases, would be eligible for legal representation provided by this Act. Further, it is estimated that out of the total number of filed cases eligible for legal representation, 4,000, or 32.35%, eligible tenants will accept legal representation annually.
4. This Act establishes a Coordinator for this program, appointed by the Department of Justice (DOJ), to adopt rules and regulations as necessary; designate and contract with community groups regarding outreach, engagement, and education events and activities related to the rights in this Act; prepare an annual report; and establish a residential eviction diversion program as the Justice of the Peace Court's (JP Court) designee. The DOJ estimates it will incur the following costs to implement these requirements:
   a. Recurring Costs of $369,565: for Personnel Costs, including OECs (at a rate of 32.11%), for 2.0 FTEs, Deputy Attorneys General; 1.0 FTE, Legal Administrative Specialist III; and 1.0 FTE, Legal Assistant IV.
   b. One-Time Costs of $20,000: for computer equipment, software needs, and office furniture startup costs for the four new positions.
5. The results of a competitive request for proposal (RFP) for legal services providers are uncertain. However, using an average billing rate of $100 per hour (based on existing contractual attorney service rates), an estimated average of eight (8) hours required per case, and the estimated annual caseload of 4,000 cases, upon full implementation, an annual contract for this program would be approximately $3,200,000.
   a. It is assumed that the estimated $3,200,000 legal services contract cost will be phased in over three years to allow for the gradual startup of this program and to account for the expected growth of cases in subsequent years as outreach and education events regarding the right to counsel take place in future years. It is also assumed the earliest a vendor(s) could begin performing services related to the RFP for this program would be at the start of the third quarter of Fiscal Year 2022.

6. The JP Court has civil jurisdiction over landlord-tenant cases and anticipates a need to modify its existing software program, Online Dispute Resolution, to be able to accommodate diversion cases. A one-time cost of $150,000 is estimated for these programming updates.

    a. The anticipated volume of cases that the JP Court may receive resulting from this Act is unknown and indeterminable at this time. If the JP Court receives a significant number of new cases because of this Act, additional Judges, support staff, and judicial resources may be necessary at a later date.

7. Fiscal Year 2022 personnel costs for the DOJ are estimated at 10-months of funding and annualized in the following years. All personnel costs are estimated to increase at a rate of 2% annually.

Cost:

	Operating/Recurring	**One-Time**
Fiscal Year 2022:	$1,169,565	$170,000
Fiscal Year 2023:	$2,052,348	
Fiscal Year 2024:	$3,661,395	

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Office of the Controller General