

Department of Legislative Services  
 Maryland General Assembly  
 2022 Session

FISCAL AND POLICY NOTE  
 Third Reader - Revised

Senate Bill 662

(Senator Zucker, *et al.*)

Judicial Proceedings and Budget and Taxation

Judiciary

Access to Counsel in Evictions Special Fund - Funding

This bill requires, for fiscal 2024 *only*, the Comptroller to distribute \$14.0 million from the State’s Unclaimed Property Fund to the Access to Counsel in Evictions (ACE) Special Fund. The bill further requires the Governor to include in the annual budget bill for fiscal 2024 an appropriation of \$14.0 million *from* the ACE Special Fund to the Maryland Legal Services Corporation (MLSC). Technical changes related to the ACE Special Fund are also made. **The bill takes effect July 1, 2022, and terminates December 31, 2024.**

Fiscal Summary

**State Effect:** General fund revenues decrease by \$14.0 million in FY 2024 only, reflecting the distribution of proceeds from unclaimed property to the ACE Special Fund. Special fund revenues to the ACE Special Fund increase correspondingly. Special fund expenditures increase by \$14.0 million in FY 2024 only to reflect the bill’s mandated appropriation that year. **This bill establishes a mandated distribution and related mandated appropriation for FY 2024.**

(\$ in millions)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
GF Revenue	(\$14.0)	\$0	\$0	\$0	\$0
SF Revenue	\$14.0	\$0	\$0	\$0	\$0
SF Expenditure	\$14.0	\$0	\$0	\$0	\$0
Net Effect	(\$14.0)	\$0.0	\$0.0	\$0.0	\$0.0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** The bill does not directly affect local government finances or operations.

**Small Business Effect:** None.

## Analysis

**Current Law:** Chapter 746 of 2021 established the ACE Special Fund, a special, nonlapsing fund that is administered by MLSC. The fund is authorized to be used for specified purposes related to the Access to Counsel in Evictions Program (also administered by MLSC), which was created to organize and direct services and resources in order to provide individuals meeting certain criteria with access to legal representation in specified judicial or administrative proceedings to evict or terminate a tenancy or housing subsidy. Chapter 746 of 2021 further required that access to legal representation be phased in over time as MLSC determines appropriate, with the goal of full implementation before October 1, 2025. Chapter 746 did not include a funding mechanism for this legal representation, and access to legal representation under its provisions is subject to the availability of funding.

**State Fiscal Effect:** The bill establishes a one-time distribution of \$14.0 million from unclaimed property funds to capitalize the ACE Special Fund. Accordingly, special fund revenues for the ACE Special Fund increase by \$14.0 million in fiscal 2024 only, reflecting that revenue distribution. Because net proceeds from unclaimed property are distributed to the general fund (after administrative costs and certain required distributions are made), general fund revenues correspondingly decrease in fiscal 2024. The bill also requires the Governor to include in the annual budget bill for fiscal 2024 an appropriation of \$14.0 million *from* the ACE Special Fund to MLSC. Accordingly, ACE Special Fund expenditures correspondingly increase by \$14.0 million in fiscal 2024 only.

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### Additional Information

**Prior Introductions:** None.

**Designated Cross File:** HB 724 (Delegate B. Barnes) - Judiciary.

**Information Source(s):** Comptroller's Office; Judiciary (Administrative Office of the Courts); Department of Legislative Services

**Fiscal Note History:** First Reader - February 15, 2022  
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