

Chapter 641

(Senate Bill 756)

AN ACT concerning

Access to Counsel in Evictions – Funding

FOR the purpose of ~~making permanent~~ extending a requirement that the Comptroller distribute a certain amount of certain abandoned property funds to the Access to Counsel in Evictions Special Fund through a certain fiscal year; ~~making permanent~~ extending a requirement that the Governor include in the annual budget bill a certain appropriation from the Fund to the Maryland Legal Services Corporation through a certain fiscal year; and generally relating to the Access to Counsel in Evictions Special Fund.

BY repealing and reenacting, without amendments,
Article – Commercial Law
Section 17–101(a) and (c)
Annotated Code of Maryland
(2013 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 17–317(a)
Annotated Code of Maryland
(2013 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,
Article – Real Property
Section 8–909
Annotated Code of Maryland
(2015 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,
Chapter 40 of the Acts of the General Assembly of 2022
Section 2

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Commercial Law

17–101.

(a) In this title the following words have the meanings indicated.

(c) “Administrator” means the State Comptroller.

17–317.

(a) (1) (i) All funds received under this title, including the proceeds of the sale of abandoned property under § 17–316 of this subtitle, shall be credited by the Administrator to a special fund.

(ii) The Administrator shall retain in the special fund at the end of each fiscal year, from the proceeds received, an amount not to exceed \$50,000, from which sum the Administrator shall pay any claim allowed under this title.

(2) After deducting all costs incurred in administering this title from the remaining net funds the Administrator shall distribute \$8,000,000 to the Maryland Legal Services Corporation Fund established under § 11–402 of the Human Services Article.

(3) (i) Subject to subparagraph (ii) of this paragraph, the Administrator shall distribute all unclaimed money from judgments of restitution under Title 11, Subtitle 6 of the Criminal Procedure Article to the State Victims of Crime Fund established under § 11–916 of the Criminal Procedure Article to assist victims of crimes and delinquent acts to protect the victims’ rights as provided by law.

(ii) If a victim entitled to restitution that has been treated as abandoned property under § 11–614 of the Criminal Procedure Article is located after the money has been distributed under this paragraph, the Administrator shall reduce the next distribution to the State Victims of Crime Fund by the amount recovered by the victim.

(4) [For fiscal years 2022 and 2023, after making the distributions required under paragraphs (2) and (3) of this subsection, the Administrator shall distribute \$250,000 from the remaining net funds to the Tax Clinics for Low–Income Marylanders Fund established under § 1–206 of the Tax – General Article.

(5) [For EACH OF fiscal ~~year~~ YEARS 2024 THROUGH 2027, after ~~—AFTER~~ making the distributions required under paragraphs (2)[,] AND (3)[,] and (4)] of this subsection, the Administrator shall distribute \$14,000,000 from the remaining net funds to the Access to Counsel in Evictions Special Fund under § 8–909 of the Real Property Article.

[(6) (5) After making the distributions required under paragraphs (2), (3), AND (4)[,] and (5)] of this subsection, the Administrator shall distribute the remaining net funds not retained under paragraph (1) of this subsection to the General Fund of the State.

Article – Real Property

8–909.

(a) There is an Access to Counsel in Evictions Special Fund.

(b) The purpose of the Fund is to provide funding to fully implement access to legal representation in evictions and other related proceedings in the State.

(c) MLSC shall administer the Fund.

(d) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(e) The Fund consists of:

(1) Money received by the Division of Consumer Protection in the Office of the Attorney General from any final settlement or agreement with or judgment against a party relating to an investigation or enforcement of the Maryland Consumer Protection Act for an unfair, abusive, or deceptive trade practice for rental residential property, excluding any restitution and the costs of the action the Attorney General is entitled to recover;

(2) Money appropriated in the State budget to the Fund;

(3) Money distributed to the Fund under § 17–317 of the Commercial Law Article;

(4) Interest earnings of the Fund; and

(5) Any other money from any other source accepted for the benefit of the Fund.

(f) The Fund may be used only for:

(1) Services provided by a designated organization or activity by a community group to implement the Program as provided in this subtitle, including all costs associated with required legal representation in any proceeding and any outreach and education activities;

(2) If a local jurisdiction enacts a program authorized under this subtitle, services provided by the local jurisdiction to implement access to counsel in eviction proceedings as provided for in this subtitle, including all costs associated with required legal representation in any proceeding and any outreach and education activities;

(3) Administrative expenses of MLSC; and

(4) Expenses related to the study and evaluation of:

- (i) Services and activities provided under this subtitle; and
 - (ii) Funding amounts and sources necessary to fully effectuate access to counsel in eviction proceedings.
- (g) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.
- (2) Any interest earnings of the Fund shall be credited to the Fund.
- (h) (1) Expenditures from the Fund may be made only in accordance with the State budget.
- (2) For **EACH OF** fiscal ~~year~~ **YEARS [2024 THROUGH 2027]**, the Governor shall include in the annual budget bill an appropriation of \$14,000,000 from the Fund to MLSC.
- (i) Money expended from the Fund is supplemental to and is not intended to take the place of funding that otherwise would be appropriated for civil legal services from any other source.

Chapter 40 of the Acts of 2022

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022. [It shall remain effective for a period of 2 years and 6 months and, at the end of December 31, 2024, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2023.

Approved by the Governor, May 16, 2023.