

SENATE BILL 154

N1, P1

(PRE-FILED)

5lr1492
CF HB 103

By: **Senators Hettleman and Guzzone**

Requested: October 30, 2024

Introduced and read first time: January 8, 2025

Assigned to: Budget and Taxation and Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 28, 2025

CHAPTER _____

1 AN ACT concerning

2 **Access to Counsel in Evictions – Task Force ~~Termination~~ and Special Fund**

3 FOR the purpose of ~~making permanent~~ extending a requirement that the Comptroller
4 distribute a certain amount of certain abandoned property funds to the Access to
5 Counsel in Evictions Special Fund; ~~making permanent~~ extending a requirement that
6 the Governor make a certain appropriation from the Access to Counsel in Evictions
7 Special Fund to the Maryland Legal Services Corporation; ~~terminating~~ altering the
8 staff and duties of the Access to Counsel in Evictions Task Force on a certain date;
9 and generally relating to the Access to Counsel in Evictions Special Fund and the
10 Access to Counsel in Evictions Task Force.

11 BY repealing and reenacting, with amendments,
12 Article – Commercial Law
13 Section 17–317
14 Annotated Code of Maryland
15 (2013 Replacement Volume and 2024 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Real Property
18 Section ~~8–901~~ 8–908 and ~~8–909~~
19 Annotated Code of Maryland
20 (2023 Replacement Volume and 2024 Supplement)

21 ~~BY repealing~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~Article — Real Property~~
 2 ~~Section 8 — 908~~
 3 ~~Annotated Code of Maryland~~
 4 ~~(2023 Replacement Volume and 2024 Supplement)~~

5 ~~BY repealing and reenacting, with amendments,~~
 6 ~~Article — Commercial Law~~
 7 ~~Section 17 — 317(a)(5)~~
 8 ~~Annotated Code of Maryland~~
 9 ~~(2013 Replacement Volume and 2024 Supplement)~~
 10 ~~(As enacted by Section 1 of this Act)~~

11 ~~BY renumbering~~
 12 ~~Article — Real Property~~
 13 ~~Section 8 — 909 through 8 — 911~~
 14 ~~to be Section 8 — 908 and 8 — 910, respectively~~
 15 ~~Annotated Code of Maryland~~
 16 ~~(2023 Replacement Volume and 2024 Supplement)~~

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

19 **Article — Commercial Law**

20 17–317.

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

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

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

30 (3) (i) Subject to subparagraph (ii) of this paragraph, the Administrator
 31 shall distribute all unclaimed money from judgments of restitution under Title 11, Subtitle
 32 6 of the Criminal Procedure Article to the State Victims of Crime Fund established under
 33 § 11–916 of the Criminal Procedure Article to assist victims of crimes and delinquent acts
 34 to protect the victims' rights as provided by law.

35 (ii) If a victim entitled to restitution that has been treated as
 36 abandoned property under § 11–614 of the Criminal Procedure Article is located after the

1 money has been distributed under this paragraph, the Administrator shall reduce the next
2 distribution to the State Victims of Crime Fund by the amount recovered by the victim.

3 (4) For fiscal year 2025 and each fiscal year thereafter, after making the
4 distributions required under paragraphs (2) and (3) of this subsection, the Administrator
5 shall distribute \$500,000 from the remaining net funds to the Tax Clinics for Low-Income
6 Marylanders Fund established under § 1-207 of the Tax – General Article.

7 (5) ~~For each of fiscal years 2024 through 2027~~ **2028**, after ~~1~~**AFTER** making
8 the distributions required under paragraphs (2) through (4) of this subsection, the
9 Administrator shall distribute \$14,000,000 from the remaining net funds to the Access to
10 Counsel in Evictions Special Fund under § 8-909 of the Real Property Article.

11 (6) After making the distributions required under paragraphs (2) through
12 (5) of this subsection, the Administrator shall distribute the remaining net funds not
13 retained under paragraph (1) of this subsection to the General Fund of the State.

14 (b) (1) Before making the distribution, the Administrator shall record the
15 name and last known address, if any, of the owners of funds so distributed and the type of
16 property which the funds distributed represent.

17 (2) The record shall be available for public inspection during reasonable
18 business hours by any person who claims a legal interest in any property held by the
19 Administrator, provided that the person gives prior notice to the Administrator.

20 Article – Real Property

21 8-909.

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

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

25 (c) MLSC shall administer the Fund.

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

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

30 (e) The Fund consists of:

31 (1) Money received by the Division of Consumer Protection in the Office of
32 the Attorney General from any final settlement or agreement with or judgment against a
33 party relating to an investigation or enforcement of the Maryland Consumer Protection Act

1 for an unfair, abusive, or deceptive trade practice for rental residential property, excluding
2 any restitution and the costs of the action the Attorney General is entitled to recover;

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

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

6 (4) Interest earnings of the Fund; and

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

9 (f) The Fund may be used only for:

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

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

18 (3) Administrative expenses of MLSC; and

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

20 (i) Services and activities provided under this subtitle; and

21 (ii) Funding amounts and sources necessary to fully effectuate
22 access to counsel in eviction proceedings.

23 (g) (1) The State Treasurer shall invest the money of the Fund in the same
24 manner as other State money may be invested.

25 (2) Any interest earnings of the Fund shall be credited to the Fund.

26 (h) (1) Expenditures from the Fund may be made only in accordance with the
27 State budget.

28 (2) For each ~~of~~ fiscal years 2024 through ~~2027~~ **2028** ~~FISCAL YEAR~~, the
29 Governor shall include in the annual budget bill an appropriation of \$14,000,000 from the
30 Fund to MLSC.

1 (i) Money expended from the Fund is supplemental to and is not intended to take
 2 the place of funding that otherwise would be appropriated for civil legal services from any
 3 other source.

4 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 5 as follows:

6 Article – Real Property

7 ~~§ 901.~~

8 (a) ~~In this subtitle the following words have the meanings indicated.~~

9 (b) ~~“Community group” means a nonprofit entity with the capacity to conduct
 10 tenant outreach and provide engagement, education, and information.~~

11 (c) ~~“Covered individual” means an individual who:~~

12 (1) ~~Occupies a residential property under a claim of legal right other than
 13 owner, including a tenant in a building owned, operated, or managed by a public housing
 14 authority; and~~

15 (2) ~~Is a member of a household with an income that is not greater than 50%
 16 of the median income, adjusted for household size, in the State as determined by the United
 17 States Department of Health and Human Services or its successor.~~

18 (d) ~~“Designated organization” means a nonprofit entity designated by MLSC with
 19 the ability to provide legal representation to covered individuals.~~

20 (e) ~~“Fund” means the Access to Counsel in Evictions Special Fund.~~

21 (f) ~~“Legal representation” includes all representation by an attorney beyond brief
 22 legal advice and is not limited to the formal entry of appearance in court.~~

23 (g) ~~“MLSC” means the Maryland Legal Services Corporation.~~

24 (h) ~~“Program” means the Access to Counsel in Evictions Program.~~

25 ~~[(i) “Task Force” means the Access to Counsel in Evictions Task Force.]~~

26 ~~§ 908.~~

27 (a) There is an Access to Counsel in Evictions Task Force.

28 (b) (1) The Task Force consists of up to 15 members appointed by the ~~Office of~~
 29 ~~the Attorney General~~ **SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT** and
 30 shall include:

1 (i) At least two representatives of the Maryland State Bar
2 Association;

3 (ii) At least two representatives of tenant advocacy groups or
4 designated organizations;

5 (iii) At least two representatives of the Judiciary;

6 (iv) At least two representatives of community groups;

7 (v) At least two representatives of landlords;

8 (vi) Representatives of MLSC; and

9 (vii) Tenants and other interested citizens.

10 (2) At least three members of the Task Force must be tenants whose
11 income does not exceed 50% of the State median income adjusted for household size.

12 (c) The ~~Attorney General~~ **SECRETARY OF HOUSING AND COMMUNITY**
13 **DEVELOPMENT** shall designate the chair of the Task Force.

14 (d) The ~~Office of the Attorney General~~ **DEPARTMENT OF HOUSING AND**
15 **COMMUNITY DEVELOPMENT** shall provide staff for the Task Force.

16 (e) **(1) ~~A~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
17 **A** member of the Task Force:

18 ~~(1)~~ **(I)** May not receive compensation as a member of the Task Force;
19 but

20 ~~(2)~~ **(II)** Is entitled to reimbursement for expenses under the Standard
21 State Travel Regulations, as provided in the State budget.

22 **(2) A MEMBER OF THE TASK FORCE DESCRIBED UNDER SUBSECTION**
23 **(B)(2) OF THIS SECTION MAY RECEIVE REASONABLE COMPENSATION, INCLUDING A**
24 **STIPEND, AS DETERMINED BY THE SECRETARY OF HOUSING AND COMMUNITY**
25 **DEVELOPMENT.**

26 (f) The Task Force shall:

27 (1) Evaluate the provision of services under this subtitle, including the
28 performance of designated organizations and community groups;

29 (2) Study potential funding sources; and

1 (3) Make recommendations to improve the implementation of this subtitle,
2 including necessary policy and statutory changes.

3 (g) On or before January 1, ~~2022~~, and each January 1 thereafter **2026**, the Task
4 Force shall report its findings and recommendations to the Governor and, in accordance
5 with § 2-1257 of the State Government Article, the General Assembly.

6 (h) The Task Force may apply for grants from public and private entities to carry
7 out the duties of the Task Force.†

8 ~~SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read~~
9 ~~as follows:~~

10 ~~Article — Commercial Law~~

11 ~~17-317.~~

12 (a) ~~(5) After making the distributions required under paragraphs (2) through~~
13 ~~(4) of this subsection, the Administrator shall distribute \$14,000,000 from the remaining~~
14 ~~net funds to the Access to Counsel in Evictions Special Fund under [§ 8-909] § 8-908 of~~
15 ~~the Real Property Article.~~

16 ~~SECTION 4. AND BE IT FURTHER ENACTED, That Section(s) 8-909 through~~
17 ~~8-911 of Article — Real Property of the Annotated Code of Maryland be renumbered to be~~
18 ~~Section(s) 8-908 through 8-910, respectively.~~

19 ~~SECTION 5. AND BE IT FURTHER ENACTED, That Sections 2, 3, and 4 of this~~
20 ~~Act shall take effect January 31, 2026.~~

21 ~~SECTION 6. 3. AND BE IT FURTHER ENACTED, That, except as provided in~~
22 ~~Section 5 of this Act, this Act shall take effect October 1, 2025.~~

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.