

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 154

(Senators Hettleman and Guzzone)

Budget and Taxation and Judicial Proceedings

Appropriations and Judiciary

Access to Counsel in Evictions - Task Force and Special Fund

This bill extends through fiscal 2028 the requirements for (1) the Comptroller to distribute \$14.0 million annually from the State’s Unclaimed Property Fund to the Access to Counsel in Evictions (ACE) Special Fund and (2) the Governor to include in the annual budget bill an appropriation of \$14.0 million from the ACE Special Fund to the Maryland Legal Services Corporation (MLSC). The bill also (1) alters the staffing and appointment authority of the Access to Counsel in Evictions Task Force from the Office of the Attorney General (OAG) to the Department of Housing and Community Development (DHCD) and (2) authorizes certain members of the task force to be compensated by DHCD. **The bill takes effect June 1, 2025.**

Fiscal Summary

State Effect: General fund revenues decrease by \$14.0 million in FY 2028, reflecting the continued 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 2028, reflecting the bill’s continued mandated appropriation. DHCD can handle the bill’s changes related to the task force with existing budgeted resources. **This bill continues a mandated distribution and related mandated appropriation through FY 2028.**

(\$ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
GF Revenue	\$0	\$0	(\$14.0)	\$0	\$0
SF Revenue	\$0	\$0	\$14.0	\$0	\$0
SF Expenditure	\$0	\$0	\$14.0	\$0	\$0
Net Effect	\$0.0	\$0.0	(\$14.0)	\$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:

Access to Counsel in Evictions Task Force

Chapter 746 of 2021 established the Access to Counsel in Evictions Task Force. The task force consists of up to 15 members appointed by OAG. The task force is required to (1) evaluate the provision of services provided under the Access to Counsel in Evictions Program (as discussed below), including the performance of designated organizations and community groups; (2) study potential funding sources; and (3) make recommendations to improve implementation of the provisions of the program, including necessary policy and statutory changes.

For a detailed overview of the task force's activities, see the 2025 Access to Counsel in Evictions Task Force [Annual Report](#).

Access to Counsel in Evictions Special Fund

Chapter 746 also 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 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.

Chapters 20 and 21 of 2022 altered the funding sources of the ACE Special Fund to include funds received by the Consumer Protection Division in OAG from any final settlement, agreement, or judgment related to an investigation or enforcement action of the Maryland Consumer Protection Act for an unfair, abusive, or deceptive trade practice regarding residential rental property. The Acts exclude from the fund any restitution and costs incurred by OAG to bring the action.

Additional funding was also provided under Chapter 40 of 2022, which required, for fiscal 2024 *only*, the Comptroller to distribute \$14.0 million from the State's Unclaimed

Property Fund to the ACE Special Fund. It also required the Governor include in the annual budget bill for fiscal 2024 an appropriation of \$14.0 million from the ACE Special Fund to MLSC. Chapter 641 of 2023 extended the funding structure provided in Chapter 40 through fiscal 2027.

State Fiscal Effect: The bill extends the annual distribution of \$14.0 million from unclaimed property funds to the ACE Special Fund through fiscal 2028. Accordingly, annual special fund revenues of \$14.0 million for the ACE Special Fund continue through fiscal 2028, 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), annual general fund revenues correspondingly decrease. The bill also extends the requirement for the Governor to include in the annual budget bill an appropriation of \$14.0 million from the ACE Special Fund to MLSC. Accordingly, ACE Special Fund expenditures continue to correspondingly increase by \$14.0 million through fiscal 2028. Identical funding mechanisms were established for fiscal 2024 *only* by Chapter 40 and for fiscal 2025 through 2027 by Chapter 641.

DHCD advises that the change in responsibilities related to the administration of the task force, including the authorization to provide reasonable compensation for certain members of the task force (tenants whose income does not exceed a specified minimum threshold), can be handled with existing budgeted resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 103 (Delegate Rosenberg) - Appropriations and Judiciary.

Information Source(s): Office of the Attorney General; Comptroller's Office; Judiciary (Administrative Office of the Courts); Department of Housing and Community Development; Department of Legislative Services

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