

SENATE BILL 413

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CF HB 514

By: **Senator Guzzone**

Introduced and read first time: January 15, 2021

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Legal Services Corporation Funding – Abandoned Property**

3 FOR the purpose of increasing the amount of certain abandoned property funds that the
4 Comptroller is required to distribute each year to the Maryland Legal Services
5 Corporation Fund; and generally relating to Maryland Legal Services Corporation
6 funding.

7 BY repealing and reenacting, with amendments,
8 Article – Commercial Law
9 Section 17–317
10 Annotated Code of Maryland
11 (2013 Replacement Volume and 2020 Supplement)

12 BY repealing and reenacting, without amendments,
13 Article – Human Services
14 Section 11–402
15 Annotated Code of Maryland
16 (2019 Replacement Volume and 2020 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) All funds received under this title, including the proceeds of the sale of
22 abandoned property under § 17–316 of this subtitle, shall be credited by the Administrator
23 to a special fund. The Administrator shall retain in the special fund at the end of each fiscal
24 year, from the proceeds received, an amount not to exceed \$50,000, from which sum the
25 Administrator shall pay any claim allowed under this title.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) After deducting all costs incurred in administering this title from the remaining net funds the Administrator shall distribute ~~[\$2,000,000]~~ **\$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) After making the distributions required under paragraphs (2) and (3) 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.

(b) Before making the distribution, the Administrator shall record the name and last known address, if any, of the owners of funds so distributed and the type of property which the funds distributed represent. The record shall be available for public inspection during reasonable business hours by any person who claims a legal interest in any property held by the Administrator, provided that the person gives prior notice to the Administrator.

Article – Human Services

11–402.

(a) There is a Maryland Legal Services Corporation Fund.

(b) The Administrative Office of the Courts shall administer the Fund.

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

(d) The Fund consists of:

(1) money deposited to the Fund from the surcharge assessed in civil cases under §§ 7–202 and 7–301 of the Courts Article;

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

(3) interest on attorney trust accounts paid to the Fund under § 10–303 of

1 the Business Occupations and Professions Article; and

2 (4) investment earnings of the Fund.

3 (e) The Corporation shall use the Fund to provide funding for civil legal services
4 to indigents under this title.

5 (f) The Treasurer shall:

6 (1) invest and reinvest the Fund in the same manner as other State funds;
7 and

8 (2) credit any investment earnings to the Fund and may not charge interest
9 against the Fund if the average daily net cash balance for the month is less than zero.

10 (g) Expenditures from the Fund shall be made in accordance with an
11 appropriation requested by the Judicial Branch of the State government under § 7–108 of
12 the State Finance and Procurement Article and approved by the General Assembly in the
13 State budget or by the budget amendment procedure under § 7–208.1 of the State Finance
14 and Procurement Article.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
16 1, 2021.