

Chapter 678

(House Bill 421)

AN ACT concerning

~~Income Tax Distribution~~ Tax Clinics for Low-Income Marylanders

FOR the purpose of requiring ~~that each fiscal year, for a certain fiscal year years,~~ the Comptroller to distribute a certain amount of ~~income tax revenue from individuals~~ *certain abandoned property funds* to the Tax Clinics for Low-Income Marylanders Fund; establishing the Tax Clinics for Low-Income Marylanders Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the ~~Secretary of Higher Education~~ Comptroller to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; ~~requiring~~ authorizing the Governor to include in the annual budget bill an appropriation to the Fund beginning in a certain fiscal year; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; making *stylistic changes and* a conforming change; defining a certain term; providing for the termination of certain provisions of this Act; and generally relating to ~~the distribution of income tax revenue from~~ tax clinics for low-income individuals.

~~BY adding to~~~~Article – Education~~~~Section 11-409~~~~Annotated Code of Maryland~~~~(2018 Replacement Volume and 2020 Supplement)~~

BY adding to

Article – Tax – General

Section 1-206 and 2-608.2

Annotated Code of Maryland

(2016 Replacement Volume and 2020 Supplement)

~~BY repealing and reenacting, with amendments,~~~~Article – Tax – General~~~~Section 2-609~~~~Annotated Code of Maryland~~~~(2016 Replacement Volume and 2020 Supplement)~~BY repealing and reenacting, without amendments,Article – Commercial LawSection 17-101(a) and (c)Annotated Code of Maryland(2013 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – Commercial Law

Section 17-317

Annotated Code of Maryland

(2013 Replacement Volume and 2020 Supplement)

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

~~Article – Education~~

~~11-409.~~

Article – Tax – General

1-206.

(A) IN THIS SECTION, “FUND” MEANS THE TAX CLINICS FOR LOW-INCOME MARYLANDERS FUND.

(B) THERE IS A TAX CLINICS FOR LOW-INCOME MARYLANDERS FUND.

(C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO THE UNIVERSITY OF MARYLAND SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW, AND THE MARYLAND VOLUNTEER LAWYERS SERVICE TO OPERATE TAX CLINICS FOR LOW-INCOME MARYLAND RESIDENTS.

(D) ~~THE SECRETARY~~ COMPTROLLER SHALL ADMINISTER THE FUND.

(E) (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.

(F) THE FUND CONSISTS OF:

(1) ~~REVENUE REVENUE~~ PROCEEDS DISTRIBUTED TO THE FUND UNDER ~~§ 2-608.2 OF THE TAX – GENERAL ARTICLE THIS ARTICLE~~ § 17-317 OF THE COMMERCIAL LAW ARTICLE;

(2) ~~MONEY MONEY~~ APPROPRIATED IN THE STATE BUDGET FOR THE FUND; AND

(3) ~~ANY~~ ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE FUND MAY BE USED ONLY TO PROVIDE GRANTS TO THE UNIVERSITY OF MARYLAND SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW, AND THE MARYLAND VOLUNTEER LAWYERS SERVICE TO OPERATE TAX CLINICS FOR LOW-INCOME MARYLAND RESIDENTS.

(2) FOR EACH FISCAL YEAR, THE TOTAL AMOUNT OF GRANT MONEY EXPENDED FROM THE FUND TO SUPPORT TAX CLINICS SHALL BE DISTRIBUTED AS FOLLOWS:

(I) ~~40%~~ ONE-THIRD TO THE UNIVERSITY OF MARYLAND SCHOOL OF LAW;

(II) ~~40%~~ ONE-THIRD TO THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW; AND

(III) ~~20%~~ ONE-THIRD TO THE MARYLAND VOLUNTEER LAWYERS SERVICE.

(H) ~~EACH FISCAL YEAR, THE GOVERNOR SHALL BEGINNING IN FISCAL YEAR 2024 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE FUND.~~

~~(I)~~ (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 GENERAL FUND OF THE STATE.

~~(J)~~ (J) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

~~(K)~~ (K) MONEY EXPENDED FROM THE FUND TO SUPPORT TAX CLINICS AT THE UNIVERSITY OF MARYLAND SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW, AND THE MARYLAND VOLUNTEER LAWYERS SERVICE IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR TAX CLINICS.

~~Article Tax General~~

~~EACH FISCAL YEAR FOR FISCAL YEAR 2022, AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-604 THROUGH 2-608.1 OF THIS SUBTITLE, FROM THE REMAINING INCOME TAX REVENUE FROM INDIVIDUALS, THE COMPTROLLER SHALL DISTRIBUTE \$250,000 \$100,000 TO THE TAX CLINICS FOR LOW-INCOME MARYLANDERS FUND ESTABLISHED UNDER § 11-409 OF THE EDUCATION ARTICLE 1-206 OF THIS ARTICLE.~~

~~2-609.~~

~~After making the distributions required under §§ 2-604 through [2-608.1] 2-608.2 of this subtitle, and after making the distributions required under §§ 7-329 and 7-330 of the State Finance and Procurement Article, the Comptroller shall distribute the remaining income tax revenue from individuals to the General Fund of the State.~~

SECTION 2. AND BE IT FURTHER ENACTED, 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 \$2,000,000 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.

[(4)] (5) After making the distributions required under paragraphs [(2) and (3)] (2), (3), AND (4) 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) (1) 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.

(2) 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.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2021. Section 2 of this Act shall remain effective for a period of 2 years and 6 months and, at the end of December 31, 2023, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.