



Maryland State's Attorneys' Association

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DATE: February 20, 2024

BILL NUMBER: HB 797

POSITION: Support

The Maryland State's Attorneys' Association (MSAA) supports HB 797.

Money laundering is the hidden circulatory system of criminal enterprises, and enables them to conceal the proceeds of their unlawful activities and fund continued criminal conduct. MD. CODE ANN., CRIM. LAW § 5-623 recognizes this, and empowers prosecutors to disrupt criminal networks by criminalizing the concealment of the source of proceeds from drug crimes.

HB 797 relocates this prohibition to a new "money laundering" subtitle in the Criminal Law Article and, using essentially identical language, extends it to apply to proceeds derived from any crime. This bill recognizes that drug offenses are not the only offenses that involve organized criminal activity and potentially substantial sums of money – crimes like human trafficking and fraud often generate significant profit through the coordinated efforts of criminal networks. By criminalizing money laundering in connection with any crime, HB 797 ensures that prosecutors can sever the financial lifelines that support these criminal activities.

While HB 797 retains the currently existing requirement that the proceeds at issue exceed \$10,000 – an important guardrail to ensure that this tool is used only in the most significant situations – it creates a new misdemeanor provision for cases involving fentanyl and fentanyl analogues. In recognition of the danger these substances pose, HB 797 provides for misdemeanor criminal liability for obscuring the source of proceeds less than \$10,000 from a drug crime involving fentanyl or an analogue.

MSAA urges a favorable report on HB 797, which provides for a much-needed modernization of our money laundering statutes.