

BY: Judicial Proceedings Committee

AMENDMENTS TO SENATE BILL NO. 332

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after "Corporation" insert "Fund"; strike in their entirety lines 3 through 10, inclusive, and substitute:

"FOR the purpose of establishing the Maryland Legal Services Corporation Fund; providing that the Fund is a nonlapsing fund; requiring the Treasurer to invest and reinvest the Fund in the same manner as other State funds and to credit any investment earnings to the Fund; requiring the Fund to be administered by the Administrative Office of the Courts; requiring expenditures from the Fund to be made in accordance with an appropriation in the annual State budget or by budget amendment; requiring moneys distributed and appropriated to the Fund to be used by the Maryland Legal Services Corporation to fund civil legal services to indigents; requiring the State Court Administrator to assess a certain surcharge on court costs and charges in civil cases in the circuit courts; requiring the Chief Judge of the District Court to assess a certain surcharge on filing fees and costs in civil cases in the District Court; requiring the surcharges to be deposited into the Fund; requiring the Governor to appropriate a certain amount in the State budget each year to the Fund; authorizing the Governor to transfer certain abandoned property funds to the Fund; requiring the interest on certain attorney trust accounts to be payable to the Fund; authorizing the Administrative Office of the Courts, in consultation with the Maryland Legal Services Corporation, to waive a certain requirement under certain circumstances; requiring certain financial institutions to pay the net interest on certain accounts to the Fund; and generally relating to the Maryland Legal Services Corporation Fund."

and before line 11, insert:

"BY repealing and reenacting, with amendments,  
Article 10 - Legal Officials

(Over)

Section 45-O  
Annotated Code of Maryland  
(1996 Replacement Volume and 1997 Supplement)

BY repealing and reenacting, with amendments,  
Article - Business Occupations and Professions  
Section 10-303  
Annotated Code of Maryland  
(1995 Replacement Volume and 1997 Supplement)".

AMENDMENT NO. 2

On page 2, in line 30, strike "\$5" and substitute "\$2".

AMENDMENT NO. 3

On page 2, strike beginning with "A" in line 18 down through "CODE" in line 20 and substitute "THE MARYLAND LEGAL SERVICES CORPORATION FUND ESTABLISHED UNDER § 7-408 OF THIS TITLE"; and strike beginning with "A" in line 31 down through "CODE" in line 34 and substitute "THE MARYLAND LEGAL SERVICES CORPORATION FUND ESTABLISHED UNDER § 7-408 OF THIS TITLE".

On page 3, strike in their entirety lines 5 through 7, inclusive, and substitute:

“(C) THE FUND CONSISTS OF:

(1) MONEYS DEPOSITED TO THE FUND FROM THE SURCHARGE ASSESSED IN CIVIL CASES UNDER §§ 7-202 AND 7-301 OF THIS TITLE;

(2) MONEYS APPROPRIATED TO THE FUND UNDER ARTICLE 10, § 45-O OF THE CODE; AND

(3) INTEREST ON ATTORNEY TRUST ACCOUNTS PAID TO THE FUND UNDER § 10-303 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.”.

AMENDMENT NO. 4

On page 3, in line 10, after "(E)" insert:

“(1) THE FUND SHALL BE ADMINISTERED BY THE ADMINISTRATIVE OFFICE OF THE COURTS.

(2)”;

in line 11, after “APPROPRIATION” insert “REQUESTED BY THE JUDICIAL BRANCH OF THE STATE GOVERNMENT UNDER § 7-108 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND”; and in line 12, strike “§ 7-209” and substitute “7-208.1”.

AMENDMENT NO. 5

On page 3, after line 9, insert:

“(E) THE TREASURER SHALL:

(1) INVEST AND REINVEST THE FUND IN THE SAME MANNER AS OTHER STATE FUNDS; AND

(2) CREDIT ANY INVESTMENT EARNINGS TO THE FUND.”;

and in lines 10 and 14, strike “(E)” and “(F)”, respectively, and substitute “(E)” and “(G)”, respectively.

AMENDMENT NO. 6

On page 1, after line 22, insert:

“Article 10 - Legal Officials

45-O.

(a) (1) The Governor shall appropriate at least \$500,000 in the State budget each year to [support the activities of the Corporation] THE MARYLAND LEGAL SERVICES CORPORATION FUND ESTABLISHED UNDER § 7-408 OF THE COURTS ARTICLE.

(2) The appropriation to [support the Corporation] THE FUND shall be in the State operating budget that is submitted to the General Assembly in the third week of January each year.

(Over)

or in any supplement to that State budget.

(b)(1) To support the appropriation in subsection (a)(1) of this section or in addition to any appropriation in subsection (a)(1) of this section, the Governor may transfer to the [Corporation] FUND up to \$500,000 on July 1 of each year from the portion of abandoned property funds deposited in the general funds of the State under § 17-317 of the Commercial Law Article.

(2) To the extent that the balance in the portion of abandoned property funds deposited in the general funds of the State under § 17-317 of the Commercial Law Article, after deducting all costs of administering the fund, is less than \$500,000, then only the balance may be transferred in accordance with subsection (b)(1) of this section.

(c) [The Board shall use all appropriated funds solely for the funding of the Corporation's legal assistance programs. No appropriated funds may be used for the Corporation's administrative expenses.] ALL MONEYS APPROPRIATED TO THE MARYLAND LEGAL SERVICES CORPORATION FUND UNDER THIS SECTION SHALL BE USED IN ACCORDANCE WITH § 7-408(G) OF THE COURTS ARTICLE.

(d) Nonstate funds received by the Corporation shall be accounted for and reported as receipts and disbursements separate and distinct from State funds.

#### Article - Business Occupations and Professions

10-303.

(a) Subject to this section a lawyer shall deposit trust money in an attorney trust account, all interest on which is payable to the Maryland Legal Services Corporation [solely for the charitable purposes set forth in the Maryland Legal Services Corporation Act] FUND ESTABLISHED UNDER § 7-408 OF THE COURTS ARTICLE.

(b) A lawyer shall deposit trust money in an interest bearing account under this section whenever the lawyer reasonably expects that, for the period that the lawyer expects to hold the trust money, the interest that it would earn:

(1) would not exceed \$50; or

(2) (i) would exceed \$50; but

(ii) would not cover the cost of administering an interest bearing account on which interest is payable to the client or beneficial owner.

(c) The ADMINISTRATIVE OFFICE OF THE COURTS, IN CONSULTATION WITH THE Maryland Legal Services [Corporation] CORPORATION, may waive the provisions of subsection (b) of this section with respect to a lawyer or law firm that demonstrates that it will cost the Maryland Legal Services Corporation FUND more in service charges to open and maintain an attorney trust account [for the purposes of the Maryland Legal Services Corporation] WITH THE INTEREST PAYABLE TO THE MARYLAND LEGAL SERVICES CORPORATION FUND than will be generated in interest by the attorney trust account.

(d) (1) At least quarterly, each financial institution that has an account described under this section shall:

(i) deduct from the total interest accumulated in the account any service charge due on the account; and

(ii) pay the net interest to the Maryland Legal Services Corporation FUND.

(2) A financial institution:

(i) may not charge against the individual accounts of a lawyer any service charges for trust moneys in an account under this section; and

(ii) may charge the Maryland Legal Services Corporation FUND.”.