

# SENATE BILL 809

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By: **Senator Frosh**

Introduced and read first time: February 1, 2013

Assigned to: Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of altering the distributee of certain abandoned property funds that  
4 the Comptroller is required to distribute each year; altering the amount that the  
5 Comptroller is required to distribute; repealing certain provisions of law  
6 requiring the Governor to appropriate a certain amount in certain budgets each  
7 year to the Maryland Legal Services Corporation Fund; repealing certain  
8 provisions of law authorizing the Governor to transfer a certain amount to the  
9 Fund from a certain portion of abandoned property funds; altering a certain  
10 source of money in the Fund; and generally relating to Maryland Legal Services  
11 Corporation funding.

12 BY repealing and reenacting, with amendments,  
13 Article – Commercial Law  
14 Section 17–317(a)  
15 Annotated Code of Maryland  
16 (2005 Replacement Volume and 2012 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Human Services  
19 Section 11–401 and 11–402  
20 Annotated Code of Maryland  
21 (2007 Volume and 2012 Supplement)

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

24 **Article – Commercial Law**

25 17–317.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) All funds received under this title, including the proceeds of the  
2 sale of abandoned property under § 17–316 of this subtitle, shall be credited by the  
3 Administrator to a special fund. The Administrator shall retain in the special fund at  
4 the end of each fiscal year, from the proceeds received, an amount not to exceed  
5 \$50,000, from which sum the Administrator shall pay any claim allowed under this  
6 title.

7 (2) After deducting all costs incurred in administering this title from  
8 the remaining net funds the Administrator shall distribute [~~\$500,000~~] **\$3,000,000** to  
9 the Maryland Legal Services Corporation [to support the activities of the corporation]  
10 **FUND ESTABLISHED UNDER § 11–402 OF THE HUMAN SERVICES ARTICLE.**

11 (3) (i) Subject to subparagraph (ii) of this paragraph, the  
12 Administrator shall distribute all unclaimed money from judgments of restitution  
13 under Title 11, Subtitle 6 of the Criminal Procedure Article to the State Victims of  
14 Crime Fund established under § 11–916 of the Criminal Procedure Article to assist  
15 victims of crimes and delinquent acts to protect the victims' rights as provided by law.

16 (ii) If a victim entitled to restitution that has been treated as  
17 abandoned property under § 11–614 of the Criminal Procedure Article is located after  
18 the money has been distributed under this paragraph, the Administrator shall reduce  
19 the next distribution to the State Victims of Crime Fund by the amount recovered by  
20 the victim.

21 (4) After making the distributions required under paragraphs (2) and  
22 (3) of this subsection, the Administrator shall distribute the remaining net funds not  
23 retained under paragraph (1) of this subsection to the General Fund of the State.

## 24 Article – Human Services

25 11–401.

26 [(a) In the State operating budget or in any supplemental budget that the  
27 Governor submits to the General Assembly, the Governor shall appropriate at least  
28 \$500,000 each year to the Maryland Legal Services Corporation Fund established  
29 under § 11–402 of this subtitle.

30 (b) (1) To support or add to the appropriation under subsection (a) of this  
31 section, on July 1 of each year, the Governor may transfer to the Fund up to \$500,000  
32 from the portion of abandoned property funds deposited in the General Fund of the  
33 State under § 17–317 of the Commercial Law Article.

34 (2) If, after deducting all costs of administering the abandoned  
35 property fund, the balance in the portion of abandoned property funds deposited in the  
36 General Fund of the State under § 17–317 of the Commercial Law Article is less than  
37 \$500,000, only the balance may be transferred in accordance with paragraph (1) of this  
38 subsection.

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

3 11-402.

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

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

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

8 (d) The Fund consists of:

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

11 (2) [money appropriated to the Fund under § 11-401 of this subtitle]  
12 **MONEY DISTRIBUTED TO THE FUND UNDER § 17-317 OF THE COMMERCIAL LAW**  
13 **ARTICLE;**

14 (3) interest on attorney trust accounts paid to the Fund under §  
15 10-303 of the Business Occupations and Professions Article; and

16 (4) investment earnings of the Fund.

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

19 (f) The Treasurer shall:

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

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

25 (g) Expenditures from the Fund shall be made in accordance with an  
26 appropriation requested by the Judicial Branch of the State government under §  
27 7-108 of the State Finance and Procurement Article and approved by the General  
28 Assembly in the State budget or by the budget amendment procedure under § 7-208.1  
29 of the State Finance and Procurement Article.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 June 1, 2013.