

SENATE BILL 809

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3lr2853
CF HB 1303

By: **Senator Frosh**

Introduced and read first time: February 1, 2013

Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 19, 2013

CHAPTER _____

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)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Commercial Law**

4 17–317.

5 (a) (1) All funds received under this title, including the proceeds of the
6 sale of abandoned property under § 17–316 of this subtitle, shall be credited by the
7 Administrator to a special fund. The Administrator shall retain in the special fund at
8 the end of each fiscal year, from the proceeds received, an amount not to exceed
9 \$50,000, from which sum the Administrator shall pay any claim allowed under this
10 title.

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

15 **(I) \$1,000,000 IN FISCAL YEAR 2014;**

16 **(II) \$1,500,000 IN FISCAL YEAR 2015;**

17 **(III) \$2,000,000 IN FISCAL YEAR 2016; AND**

18 **(IV) \$500,000 IN FISCAL YEAR 2017 AND THEREAFTER.**

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

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

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

32 **Article – Human Services**

33 11–401.

1 [(a) In the State operating budget or in any supplemental budget that the
2 Governor submits to the General Assembly, the Governor shall appropriate at least
3 \$500,000 each year to the Maryland Legal Services Corporation Fund established
4 under § 11–402 of this subtitle.

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

9 (2) If, after deducting all costs of administering the abandoned
10 property fund, the balance in the portion of abandoned property funds deposited in the
11 General Fund of the State under § 17–317 of the Commercial Law Article is less than
12 \$500,000, only the balance may be transferred in accordance with paragraph (1) of this
13 subsection.

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

16 11–402.

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

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

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

21 (d) The Fund consists of:

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

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

27 (3) interest on attorney trust accounts paid to the Fund under §
28 10–303 of the Business Occupations and Professions Article; and

29 (4) investment earnings of the Fund.

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

32 (f) The Treasurer shall:

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

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

6 (g) Expenditures from the Fund shall be made in accordance with an
7 appropriation requested by the Judicial Branch of the State government under §
8 7-108 of the State Finance and Procurement Article and approved by the General
9 Assembly in the State budget or by the budget amendment procedure under § 7-208.1
10 of the State Finance and Procurement Article.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 ~~June~~ July 1, 2013.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.