

# HOUSE BILL 421

Q3, F2

(11r0433)

## ENROLLED BILL

— Ways and Means / Budget and Taxation —

Introduced by **Delegate Rosenberg**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

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

3

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

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#### 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.

*Italics indicate opposite chamber / conference committee amendments.*



1 ~~from~~ tax clinics for low-income individuals.

2 ~~BY adding to~~  
 3 ~~Article – Education~~  
 4 ~~Section 11-409~~  
 5 ~~Annotated Code of Maryland~~  
 6 ~~(2018 Replacement Volume and 2020 Supplement)~~

7 BY adding to  
 8 Article – Tax – General  
 9 Section ~~1-206 and 2-608.2~~  
 10 Annotated Code of Maryland  
 11 (2016 Replacement Volume and 2020 Supplement)

12 ~~BY repealing and reenacting, with amendments,~~  
 13 ~~Article – Tax – General~~  
 14 ~~Section 2-609~~  
 15 ~~Annotated Code of Maryland~~  
 16 ~~(2016 Replacement Volume and 2020 Supplement)~~

17 BY repealing and reenacting, without amendments,  
 18 Article – Commercial Law  
 19 Section 17-101(a) and (c)  
 20 Annotated Code of Maryland  
 21 (2013 Replacement Volume and 2020 Supplement)

22 BY repealing and reenacting, with amendments,  
 23 Article – Commercial Law  
 24 Section 17-317  
 25 Annotated Code of Maryland  
 26 (2013 Replacement Volume and 2020 Supplement)

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

29 ~~Article – Education~~

30 ~~11-409.~~

31 Article – Tax – General

32 1-206.

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

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

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

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

7 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT  
8 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

9 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,  
10 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

11 (F) THE FUND CONSISTS OF:

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

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

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

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

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

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

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

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

1 SERVICE.

2 ~~(H) EACH FISCAL YEAR, THE GOVERNOR SHALL BEGINNING IN FISCAL YEAR~~  
 3 ~~2024 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR MAY INCLUDE IN THE~~  
 4 ~~ANNUAL BUDGET BILL AN APPROPRIATION TO THE FUND.~~

5 ~~(H) (I)~~ (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE  
 6 FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

7 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO  
 8 THE GENERAL FUND OF THE STATE.

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

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

16 ~~Article Tax General~~

17 ~~2-608.2.~~

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

24 ~~2-609.~~

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

29 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
 30 as follows:

31 Article – Commercial Law

32 17-101.

1           (a)    In this title the following words have the meanings indicated.

2           (c)    “Administrator” means the State Comptroller.

3    17-317.

4           (a)    (1)    **(I)**    All funds received under this title, including the proceeds of the  
5 sale of abandoned property under § 17-316 of this subtitle, shall be credited by the  
6 Administrator to a special fund.

7                               **(II)**    The Administrator shall retain in the special fund at the end of  
8 each fiscal year, from the proceeds received, an amount not to exceed \$50,000, from which  
9 sum the Administrator shall pay any claim allowed under this title.

10           (2)    After deducting all costs incurred in administering this title from the  
11 remaining net funds the Administrator shall distribute \$2,000,000 to the Maryland Legal  
12 Services Corporation Fund established under § 11-402 of the Human Services Article.

13           (3)    (i)    Subject to subparagraph (ii) of this paragraph, the Administrator  
14 shall distribute all unclaimed money from judgments of restitution under Title 11, Subtitle  
15 6 of the Criminal Procedure Article to the State Victims of Crime Fund established under §  
16 11-916 of the Criminal Procedure Article to assist victims of crimes and delinquent acts to  
17 protect the victims’ rights as provided by law.

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

22           **(4) FOR FISCAL YEARS 2022 AND 2023, AFTER MAKING THE**  
23 **DISTRIBUTIONS REQUIRED UNDER PARAGRAPHS (2) AND (3) OF THIS SUBSECTION,**  
24 **THE ADMINISTRATOR SHALL DISTRIBUTE \$250,000 FROM THE REMAINING NET**  
25 **FUNDS TO THE TAX CLINICS FOR LOW-INCOME MARYLANDERS FUND ESTABLISHED**  
26 **UNDER § 1-206 OF THE TAX – GENERAL ARTICLE.**

27           ~~[(4)]~~ **(5)**    After making the distributions required under paragraphs ~~[(2)~~  
28 and ~~(3)]~~ **(2), (3), AND (4)** of this subsection, the Administrator shall distribute the  
29 remaining net funds not retained under paragraph (1) of this subsection to the General Fund  
30 of the State.

31           (b)    **(1)**    Before making the distribution, the Administrator shall record the name  
32 and last known address, if any, of the owners of funds so distributed and the type of property  
33 which the funds distributed represent.

34           **(2)**    The record shall be available for public inspection during reasonable

1 business hours by any person who claims a legal interest in any property held by the  
2 Administrator, provided that the person gives prior notice to the Administrator.

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

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
Speaker of the House of Delegates.

\_\_\_\_\_  
President of the Senate.