

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 724
Judiciary

Access to Counsel in Evictions Special Fund - Funding

This bill requires, for fiscal 2023 *only*, the Comptroller to distribute \$11.8 million from the State's Unclaimed Property Fund to the Access to Counsel in Evictions (ACE) Special Fund. **The bill takes effect July 1, 2022, and terminates December 31, 2023.**

Fiscal Summary

State Effect: General fund revenues decrease by \$11.8 million in FY 2023 only, reflecting the distribution of proceeds from unclaimed property to the ACE Special Fund. Special fund revenues to the ACE Special Fund increase correspondingly. Expenditures are not directly affected, as discussed below. **This bill establishes a mandated distribution for FY 2023.**

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
GF Revenue	(\$11.8)	\$0	\$0	\$0	\$0
SF Revenue	\$11.8	\$0	\$0	\$0	\$0
Expenditure	0	0	0	0	0
Net Effect	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not directly affect local government finances or operations.

Small Business Effect: None.

Analysis

Current Law: Chapter 746 of 2021 established the ACE Special Fund, a special, nonlapsing fund that is administered by the Maryland Legal Services Corporation (MLSC).

The fund is authorized to be used for specified purposes related to the Access to Counsel in Evictions Program (also administered by MLSC), which was created to organize and direct services and resources in order to provide individuals meeting certain criteria with access to legal representation in specified judicial or administrative proceedings to evict or terminate a tenancy or housing subsidy. Chapter 746 of 2021 further required that access to legal representation be phased in over time as MLSC determines appropriate, with the goal of full implementation before October 1, 2025. Chapter 746 did not include a funding mechanism for this legal representation, and access to legal representation under its provisions is subject to the availability of funding.

State Fiscal Effect: Special fund revenues for the ACE Special Fund increase by \$11.8 million in fiscal 2023 only, reflecting the revenue distribution from unclaimed property funds. Because net proceeds from unclaimed property are distributed to the general fund (after administrative costs and required distributions are made), general fund revenues correspondingly decrease in fiscal 2023.

While the bill does not require additional spending from the ACE Special Fund, the bill results in additional funding available for the fund's purposes.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 662 (Senator Zucker, *et al.*) - Judicial Proceedings and Budget and Taxation.

Information Source(s): Comptroller's Office; Judiciary (Administrative Office of the Courts); Department of Legislative Services

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