

Chapter 727

(House Bill 451)

AN ACT concerning

Tax Assistance for Low-Income Marylanders – Funding

FOR the purpose of requiring the Comptroller, beginning in a certain fiscal year, to distribute a certain amount of abandoned property funds to the Tax Clinics for Low-Income Marylanders Fund; requiring the Governor to include a certain amount of funding in the annual budget for the CASH Campaign of Maryland to award grants for providing certain tax assistance through certain on-demand and mobile tax clinics; requiring certain ~~grant-recipients~~ tax clinics to interact with the CASH Campaign in a certain manner for a certain purpose; and generally relating to tax assistance for low-income Marylanders.

BY repealing and reenacting, with amendments,
 Article – Commercial Law
 Section 17–317
 Annotated Code of Maryland
 (2013 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,
 Article – Human Services
 Section 6–801
 Annotated Code of Maryland
 (2019 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, without amendments,
 Article – Human Services
 Section 6–802
 Annotated Code of Maryland
 (2019 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, ~~without~~ with amendments,
 Article – Tax – General
 Section 1–207
 Annotated Code of Maryland
 (2022 Replacement Volume and 2023 Supplement)

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

Article – Commercial Law

17–317.

(a) (1) (i) All funds received under this title, including the proceeds of the sale of abandoned property under § 17–316 of this subtitle, shall be credited by the Administrator to a special fund.

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

(2) After deducting all costs incurred in administering this title from the remaining net funds the Administrator shall distribute \$8,000,000 to the Maryland Legal Services Corporation Fund established under § 11–402 of the Human Services Article.

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

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

(4) FOR FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER, AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE ADMINISTRATOR SHALL DISTRIBUTE \$500,000 FROM THE REMAINING NET FUNDS TO THE TAX CLINICS FOR LOW-INCOME MARYLANDERS FUND ESTABLISHED UNDER § 1–207 OF THE TAX – GENERAL ARTICLE.

(5) For each of fiscal years 2024 through 2027, after making the distributions required under paragraphs [(2) and (3)] **(2) THROUGH (4)** of this subsection, the Administrator shall distribute \$14,000,000 from the remaining net funds to the Access to Counsel in Evictions Special Fund under § 8–909 of the Real Property Article.

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

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

(2) The record shall be available for public inspection during reasonable business hours by any person who claims a legal interest in any property held by the Administrator, provided that the person gives prior notice to the Administrator.

Article – Human Services

6–801.

(a) For fiscal years 2021 through 2023, the Governor shall include in the annual State budget an appropriation of \$200,000 for the CASH Campaign of Maryland to promote the financial capability of low-income individuals and families by providing outreach, education, and free tax preparation services.

(b) For fiscal [year 2024 and each fiscal year thereafter] **YEARS 2024 AND 2025**, the Governor shall include in the annual budget bill an appropriation of \$500,000 for the CASH Campaign.

(c) (1) FOR FISCAL YEAR 2026 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$800,000 FOR THE CASH CAMPAIGN.

(2) ~~(1)~~ FROM THE APPROPRIATION MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION, \$150,000 SHALL BE USED TO PROVIDE GRANTS TO EXTERNAL ENTITIES FOR PROVIDING INCOME TAX ASSISTANCE IN ACCORDANCE WITH § 6–802 OF THIS SUBTITLE THROUGH ON-DEMAND OR MOBILE TAX CLINICS THAT SERVE SENIOR POPULATIONS, RURAL COMMUNITIES, OR UNDER-RESOURCED COMMUNITIES, INCLUDING NEW AMERICAN POPULATIONS.

~~**(H) A RECIPIENT OF A GRANT FROM THE CASH CAMPAIGN TO OPERATE AN ON-DEMAND OR MOBILE TAX CLINIC IN ACCORDANCE WITH SUBPARAGRAPH (1) OF THIS PARAGRAPH SHALL INTERACT WITH THE CASH CAMPAIGN OF MARYLAND ON, AT MINIMUM, A QUARTERLY BASIS EACH YEAR TO ENSURE SUFFICIENT ACCESS TO TAX PREPARATION SERVICES FOR LOW-INCOME MARYLAND RESIDENTS.**~~

6–802.

An appropriation made under § 6–801 of this subtitle may be used only to:

(1) provide free volunteer income tax assistance that helps low-income individuals and families:

- (i) file tax returns;
- (ii) avoid predatory fees; and

(iii) claim the federal earned income tax credit or the State earned income tax credit under § 10–704 of the Tax – General Article;

(2) coordinate and expand access to free, fact–based financial education and coaching for low–income individuals and families;

(3) connect low–income individuals and families to affordable, high–quality financial services;

(4) recruit, train, and manage a corps of volunteers to provide financial education, coaching, and tax preparation services for low–income individuals and families; and

(5) conduct outreach to low–income individuals and families.

Article – Tax – General

1–207.

(a) In this section, “Fund” means the Tax Clinics for Low–Income Marylanders Fund.

(b) There is a Tax Clinics for Low–Income Marylanders Fund.

(c) The purpose of the Fund is to provide grants to the University of Maryland School of Law, the University of Baltimore School of Law, and the Maryland Volunteer Lawyers Service to operate tax clinics for low–income Maryland residents.

(d) The Comptroller shall administer the Fund.

(e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(f) The Fund consists of:

(1) proceeds distributed to the Fund under § 17–317 of the Commercial Law Article;

(2) money appropriated in the State budget for the Fund; and

(3) any other money from any other source accepted for the benefit of the Fund.

(g) (1) Subject to paragraph (2) of this subsection, the Fund may be used only to provide grants to the University of Maryland School of Law, the University of Baltimore School of Law, and the Maryland Volunteer Lawyers Service to operate tax clinics for low-income Maryland residents.

(2) For each fiscal year, the total amount of grant money expended from the Fund to support tax clinics shall be distributed as follows:

- (i) one-third to the University of Maryland School of Law;
- (ii) one-third to the University of Baltimore School of Law; and
- (iii) one-third to the Maryland Volunteer Lawyers Service.

(h) Beginning in fiscal year 2024 and each fiscal year thereafter, the Governor may include in the annual budget bill an appropriation to the Fund.

(i) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any interest earnings of the Fund shall be credited to the General Fund of the State.

(j) Expenditures from the Fund may be made only in accordance with the State budget.

(k) Money expended from the Fund to support tax clinics at the University of Maryland School of Law, the University of Baltimore School of Law, and the Maryland Volunteer Lawyers Service is supplemental to and is not intended to take the place of funding that otherwise would be appropriated for tax clinics.

(L) THE TAX CLINICS AT THE UNIVERSITY OF MARYLAND SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW, AND THE MARYLAND VOLUNTEER LAWYERS SERVICE SHALL INTERACT WITH THE CASH CAMPAIGN OF MARYLAND AT LEAST ONCE EACH YEAR TO ENSURE SUFFICIENT ACCESS TO TAX PREPARATION SERVICES FOR LOW-INCOME MARYLAND RESIDENTS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024.

Approved by the Governor, May 16, 2024.