

HOUSE BILL 451

Q7

4lr1799
CF SB 676

By: **The Speaker (By Request – Office of the Comptroller)**

Introduced and read first time: January 22, 2024

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 5, 2024

CHAPTER _____

1 AN ACT concerning

2 **Tax Assistance for Low-Income Marylanders – Funding**

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

11 BY repealing and reenacting, with amendments,
12 Article – Commercial Law
13 Section 17–317
14 Annotated Code of Maryland
15 (2013 Replacement Volume and 2023 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Human Services
18 Section 6–801
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2023 Supplement)

21 BY repealing and reenacting, without amendments,
22 Article – Human Services

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 6–802
2 Annotated Code of Maryland
3 (2019 Replacement Volume and 2023 Supplement)

4 BY repealing and reenacting, ~~without~~ with amendments,
5 Article – Tax – General
6 Section 1–207
7 Annotated Code of Maryland
8 (2022 Replacement Volume and 2023 Supplement)

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

11 **Article – Commercial Law**

12 17–317.

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

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

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

22 (3) (i) Subject to subparagraph (ii) of this paragraph, the Administrator
23 shall distribute all unclaimed money from judgments of restitution under Title 11, Subtitle
24 6 of the Criminal Procedure Article to the State Victims of Crime Fund established under
25 § 11–916 of the Criminal Procedure Article to assist victims of crimes and delinquent acts
26 to protect the victims' rights as provided by law.

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

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

~~1 CAMPAIGN OF MARYLAND ON, AT MINIMUM, A QUARTERLY BASIS EACH YEAR TO~~
~~2 ENSURE SUFFICIENT ACCESS TO TAX PREPARATION SERVICES FOR LOW-INCOME~~
~~3 MARYLAND RESIDENTS.~~

4 6–802.

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

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

8 (i) file tax returns;

9 (ii) avoid predatory fees; and

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

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

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

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

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

20 **Article – Tax – General**

21 1–207.

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

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

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

28 (d) The Comptroller shall administer the Fund.

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

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

3 (f) The Fund consists of:

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

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

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

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

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

15 (i) one-third to the University of Maryland School of Law;

16 (ii) one-third to the University of Baltimore School of Law; and

17 (iii) one-third to the Maryland Volunteer Lawyers Service.

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

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

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

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

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

30 **(L) THE TAX CLINICS AT THE UNIVERSITY OF MARYLAND SCHOOL OF LAW,**
31 **THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW, AND THE MARYLAND**

1 VOLUNTEER LAWYERS SERVICE SHALL INTERACT WITH THE CASH CAMPAIGN OF
 2 MARYLAND AT LEAST ONCE EACH YEAR TO ENSURE SUFFICIENT ACCESS TO TAX
 3 PREPARATION SERVICES FOR LOW-INCOME MARYLAND RESIDENTS.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 5 1, 2024.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.