

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 154 (Senators Hettleman and Guzzone)
 Budget and Taxation and Judicial Proceedings

Access to Counsel in Evictions – Task Force Termination and Special Fund

This bill makes permanent the requirements for (1) the Comptroller to distribute \$14.0 million annually from the State’s Unclaimed Property Fund to the Access to Counsel in Evictions (ACE) Special Fund and (2) the Governor to include in the annual budget bill for each fiscal year an appropriation of \$14.0 million from the ACE Special Fund to the Maryland Legal Services Corporation (MLSC). The bill also terminates the Access to Counsel in Evictions Task Force. **The bill’s provisions to terminate the task force and related technical changes take effect January 31, 2026.**

Fiscal Summary

State Effect: General fund revenues decrease by \$14.0 million annually beginning in FY 2028, reflecting the continued distribution of proceeds from unclaimed property to the ACE Special Fund. Special fund revenues to the ACE Special Fund increase correspondingly. Special fund expenditures increase by \$14.0 million annually thereafter beginning in FY 2028, reflecting the bill’s continued mandated appropriation each year. **This bill continues a mandated distribution and related mandated appropriation beginning in FY 2028.**

(\$ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
GF Revenue	\$0	\$0	(\$14.0)	(\$14.0)	(\$14.0)
SF Revenue	\$0	\$0	\$14.0	\$14.0	\$14.0
SF Expenditure	\$0	\$0	\$14.0	\$14.0	\$14.0
Net Effect	\$0.0	\$0.0	(\$14.0)	(\$14.0)	(\$14.0)

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

Bill Summary/Current Law:

Access to Counsel in Evictions Task Force

Chapter 746 of 2021 established the Access to Counsel in Evictions Task Force. The task force consists of up to 15 members appointed by the Office of the Attorney General (OAG). The task force is required to (1) evaluate the provision of services provided under the Access to Counsel in Evictions Program (as discussed below), including the performance of designated organizations and community groups; (2) study potential funding sources; and (3) make recommendations to improve implementation of the provisions of the program, including necessary policy and statutory changes. The bill terminates the task force, which is staffed by OAG.

For a detailed overview of the task force's activities, see the 2025 Access to Counsel in Evictions Task Force [Annual Report](#).

Access to Counsel in Evictions Special Fund

Chapter 746 also established the ACE Special Fund, a special, nonlapsing fund that is administered by 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 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.

Chapters 20 and 21 of 2022 altered the funding sources of the ACE Special Fund to include funds received by the Consumer Protection Division in OAG from any final settlement, agreement, or judgment related to an investigation or enforcement action of the Maryland Consumer Protection Act for an unfair, abusive, or deceptive trade practice regarding residential rental property. The Acts exclude from the fund any restitution and costs incurred by OAG to bring the action.

Additional funding was also provided under Chapter 40 of 2022, which required, for fiscal 2024 *only*, the Comptroller to distribute \$14.0 million from the State's Unclaimed Property Fund to the ACE Special Fund. It also required the Governor include in the annual budget bill for fiscal 2024 an appropriation of \$14.0 million from the ACE Special Fund

to MLSC. Chapter 641 of 2023 extended the funding structure provided in Chapter 40 through fiscal 2027. The bill makes the funding structure permanent.

State Fiscal Effect: The bill establishes a permanent annual distribution of \$14.0 million from unclaimed property funds to the ACE Special Fund. Accordingly, annual special fund revenues of \$14.0 million for the ACE Special Fund continue beyond fiscal 2027, reflecting that revenue distribution. Because net proceeds from unclaimed property are distributed to the general fund (after administrative costs and certain required distributions are made), annual general fund revenues correspondingly decrease. The bill also makes permanent the requirement for the Governor to include in the annual budget bill an appropriation of \$14.0 million from the ACE Special Fund to MLSC. Accordingly, ACE Special Fund expenditures continue to correspondingly increase by \$14.0 million annually beginning in fiscal 2028. Identical funding mechanisms were established for fiscal 2024 *only* by Chapter 40 and for fiscal 2025 through 2027 by Chapter 641.

OAG may experience operational efficiencies, as resources dedicated to the existing task force are assumed to be redirected once the task force terminates.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 103 (Delegate Rosenberg) - Appropriations and Judiciary.

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

Fiscal Note History: First Reader - January 14, 2025
km/jkb

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