

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1605
Judiciary

(Delegate Griffith)

Compensation for Individuals Erroneously Convicted - County Cost-Sharing -
Repeal

This bill repeals the requirement that the county government in which the conviction of an individual occurred pay the State 50% of the amount of compensation awarded to an individual under § 10-501(a)(1) of the State Finance and Procurement Article for being convicted, sentenced, and confined under State law for a crime the individual did not commit. This cost-sharing requirement, which applies to new awards beginning in fiscal 2026, was enacted pursuant to the Budget Reconciliation and Financing Act of 2025 (Chapter 604). The bill repeals corresponding provisions that were also enacted under that legislation.

Fiscal Summary

State Effect: General fund revenues likely decrease by at least \$1.0 million annually beginning in FY 2027 due to foregone revenues from local cost-sharing reimbursements, as discussed below. Expenditures are not affected.

Local Effect: Local expenditures likely decrease by at least \$1.0 million annually beginning in FY 2027 once locals are no longer responsible for cost-sharing reimbursements, as discussed below. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: The corresponding provisions repealed under the bill include (1) the requirement that a county pay 100% of its share of the costs for the fiscal year to the

Comptroller by June 30; (2) the requirement that the Board of Public Works (BPW) notify the Comptroller and each county of the county's share of each erroneous conviction award on October 1, December 1, March 1, and June 1 of each fiscal year; and (3) authorization for the Comptroller to withhold a portion of the local income tax distribution of a county that fails to make a timely payment.

Current Law: On receipt of a petition or request filed within designated timelines and after following certain procedures, an administrative law judge (ALJ) must issue an order that an individual is eligible for compensation and benefits from the State/BPW for being erroneously convicted, sentenced, and confined if the individual meets specified criteria and if the ALJ makes certain findings.

If an ALJ issues an order of eligibility, the order must include (1) the *monetary award* owed the individual; (2) reasonable attorney's fees and expenses associated with the eligibility determination action; (3) depending on the ALJ's determination, additional benefits for which the individual is eligible and must receive free of charge (*e.g.*, housing accommodations for up to five years, higher education tuition, and fees for up to eight years); and (4) if the ALJ determines that it is in the interests of the individual, a recommendation for an expedited payment schedule. A copy of the order must be delivered to BPW and any State agency or service provider ordered to provide benefits. The decision to grant or deny an order of eligibility may be appealed by either party.

With respect to the monetary award, BPW must compensate an individual found to be eligible in an amount equal to the total number of days of wrongful confinement after the erroneous conviction multiplied by a daily rate based on the State's most recent median household income in the year the order of eligibility is issued, as published in the American Community Survey of the U.S. Census Bureau, as specified. *As noted above, Chapter 604 requires the county government in which the conviction of an individual occurred to reimburse the State for 50% of the monetary award.* Subject to specified procedural requirements, the individual may not receive compensation for any period of confinement during which the individual was serving a concurrent sentence for another conviction for which the individual was lawfully convicted and confined.

State and Local Fiscal Effect: General fund revenues are assumed to decrease by at least \$1.0 million annually beginning in fiscal 2027 once local jurisdictions are no longer required to reimburse the State for payments associated with erroneous convictions. Local expenditures correspondingly decrease.

The estimate prepared for Chapter 640 reflected a general fund revenue decrease of \$1.5 million in fiscal 2027 and \$2.3 million annually thereafter. Among other assumptions, these amounts were based on the average payment per person per year between fiscal 2022 and 2024 (approximately \$380,000), assumed four new grantees each year (with payments

over multiple years), and assumed stabilized awards payments subject to reimbursement beginning in fiscal 2028. The Department of Legislative Services notes, however, that the number and monetary value of awards vary by year; furthermore, according to data provided by BPW, payments to individuals do not appear to always be made on a consecutive, annual schedule.

For additional context, BPW advises that ALJs issued five orders for compensation in fiscal 2024; the compensation associated with those petitions is approximately \$8.8 million, and the average projected time to complete payments for these awards is 1.8 years. There was also a related settlement of an appeal for approximately \$226,700. In fiscal 2023, ALJs issued four new orders with compensation of \$5.7 million, including attorney's fees (which are not subject to local reimbursement).

As of December 1, 2025, BPW indicates that Wicomico County's share of fiscal 2026 payments is \$286,706, with no other counties required to make payments.

Additional Information

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

Designated Cross File: None.

Information Source(s): Comptroller's Office; Board of Public Works; Maryland Association of Counties; Department of Legislative Services

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