SB279_MCAP Support Letter.pdfUploaded by: Angela Martin



2/7/2022

Re: Support of SB 279 – Access to Counsel in Evictions Special Fund – Alteration

Dear Honorable Chair Smith and Members of the Judicial Proceedings Committee,

I am writing on behalf of the Maryland Community Action Partnership (MCAP) to urge your support of SB 279: Access to Counsel in Evictions Special Fund - Alteration.

The Maryland Community Action Partnership (MCAP) is a statewide non-profit organization comprised of Maryland's 17 Community Action Agencies, which collectively serve every Maryland county. Together, we work toward eradicating homelessness and poverty to realize our vision of ensuring that all Maryland individuals and families are stable, economically secure, and live in safe and thriving communities.

MCAP supports SB 279 because of its impact on those we serve, individuals and families with low-incomes.

If passed, the bill would:

- Provide funding for the Access to Counsel in Evictions Program administered by the MLSC to fully implement access to legal representation in evictions and other related proceedings in the State of Maryland.
- Alter the contents of the Access to Counsel in Evictions Special Fund to include money received by the Division of Consumer Protection in the Office of the Attorney General from a settlement, an agreement, or a judgment relating to a certain investigation or enforcement of the Maryland Consumer Protection Act.

The provision of funding for legal counsel to represent tenants with low-income in Maryland will help to deter wrongful evictions, ensure equity in housing, and ultimately decrease rates of homelessness. Providing funding and supports to enable individuals and families to access services and remain housed is an important tool in the fight to ensure economic stability and safety for all Marylanders.

If there is any additional information that I can provide for you as you consider this bill, I would be happy to help. You can contact me at amartin@maryland-cap.org, or by calling 205-757-0764.

Sincerely,

Angela Martin, Executive Director

HPRP_SB 279_FAV.pdf Uploaded by: Carisa Hatfield Position: FAV



HOMELESS PERSONS REPRESENTATION PROJECT, INC.

SB 279 Access to Counsel in Evictions Special Fund – Alteration Hearing before the Senate Judicial Proceedings Committee, February 9, 2022

Position: FAVORABLE

The Homeless Persons Representation Project, Inc. (HPRP) is a non-profit civil legal aid organization that provides free legal representation to people who are homeless or at risk of homelessness on legal issues that will lead to an end to homelessness. HPRP regularly represents tenants in failure to pay rent cases and other landlord-tenant matters in Baltimore City.

We support SB 279 as part of a larger plan to fully fund implementation of the Access to Counsel in Evictions legislation. SB 279 would require that any monetary recovery from certain Consumer Protection Act litigation brought by the Attorney General be deposited into the Access to Counsel in Evictions Special Fund. SB 279 is not sufficient by itself to provide a consistent source of funding for implementation of the Access to Counsel in Evictions legislation, but it would be an important part of a comprehensive plan.

Passed in 2021, the Access to Counsel in Evictions legislation mandates that all limited-income tenants in eviction cases "shall have access to legal representation as provided under this subtitle." RP § 8-902.

of eviction cases in which the renter had legal representation resulted in prevention of disruptive displacement, in a 2020 study by Stout Risius Ross.

of state costs could be avoided through Access to Counsel in eviction cases, by preventing emergency room, shelter, and foster care costs.

Governor Hogan and the General Assembly should allocate \$11.8M to fund Access to Counsel implementation in FY 23. With 105,000 Maryland households behind on rent and facing eviction in the wake of COVID-19 – 74% of whom are persons of color; 51% are families with children – we cannot wait.

An allocation of \$11.8 million in FY 23 would help 9,762 Maryland families avoid disruptive displacement in eviction actions. The Access to Counsel in Evictions Task Force issued a <u>report</u> laying out a framework for equitable, effective implementation. The Task Force called on the State to allocate \$11.8 million in FY 23, with full implementation

by 2025. The General Assembly's Spending Affordability Committee recommended \$14M for FY 23 for implementation. Relying on court data and analysis from Stout Risius Ross, the MD Legal Services Corp. (MLSC) estimates that there are 29,683 limited-income residents who have an unmet need for legal representation in eviction cases. MLSC estimates that with an additional allocation of \$11.8 million for FY 23, the State can meet approximately 1/3 of that need.

The \$5.4 million proposed by Governor Hogan for counsel in eviction cases is insufficient because Maryland residents are slated to lose approximately \$4.4 million in one-time, mostly federal funding for eviction representation that is running out. The State and local jurisdictions have used mostly federal money to expand access to counsel in FY 21 & 22. This funding will mostly be spent in FY 22 and tenants will actually lose current levels of representation if ATC is not fully funded.

Legal services are unable to meet current demand. Legal services providers such as Community Legal Services of Prince George's County and Public Justice Center report that in the last 6 months of 2021, they have only been able to provide representation to appx. 1/3 of renter clients due to limited capacity. Similarly, for same-day in-court services, Pro Bono Resource Center of Md. estimates that – due to limited capacity - it has reached less than 1/3 of renters who are in need of legal representation in Baltimore County.

Representation balances the scales and saves the state money. Over 90% of landlords are represented by an attorney or specialized agent while over 90% of tenants are not. Counsel is 92% effective in preventing disruptive displacement in evictions according to a study of one jurisdiction in Maryland. By implementing Access to Counsel, the State can help level the scales and save an estimated \$62 million in reduced emergency room, shelter, and foster care costs. It is much less expensive to keep people housed than provide services when they are homeless.

HPRP is a member of the Renters United Maryland coalition and asks that the Committee **issue a FAVORABLE REPORT on SB 279.** If you have any questions, please contact: Carisa A. Hatfield, Esq., at 443-402-5395, or chatfield@hprplaw.org.

BEYOND THE BOUNDARIES--TESTIMONY ON SB 279 ACCESS

Uploaded by: Charles Michaels

BEYOND THE BOUNDARIES

SB 279 Access to Counsel in Evictions Special Fund – Alteration Hearing before the Senate Judicial Proceedings Committee,

February 9, 2022 Position: FAVORABLE

Beyond the Boundaries is an Archdiocese of Baltimore program, with members from churches throughout Maryland, raising awareness among Catholics and advocating for inclusionary housing and affordable housing in Baltimore City and surrounding Counties. We recognize the need for Catholic organizations to advocate for social justice, especially as it relates to stable and permanent housing—be it rental housing or owner-occupied housing. We urge legislators in counties and in the General Assembly to be aware of the pressing need—especially for lower income residents—to have the tools to effectively defend their interests when coming to court especially in eviction cases.

The United States Conference of Catholic Bishops has repeatedly stated that to effectively love our neighbor, we must care for the conditions in which they live, and we must acknowledge decent housing as a human right. "Since decent housing is a human right, its provision involves a public responsibility." Such public responsibility includes providing Maryland low-income *tenants* facing eviction the ability to hire a pro-bono attorney to see that the tenant's interests are safeguarded when the tenant faces the landlord in rent court.

In turn, as a recent study found, more than 90% of eviction case in which the tenant had legal representation resulted in favorable outcomes for the tenant. That is certainly *not* the case when the tenant has no legal representation at all.

So, we support SB 279 as part of a larger plan to fully fund implementation of the Access to Counsel (ATC) in Evictions legislation. SB 279 would require that any monetary recovery from certain Consumer Protection Act litigation brought by the Attorney General be deposited into the Access to Counsel in Evictions Special Fund. SB 279 is not sufficient by itself to provide a consistent source of funding for implementation of the Access to Counsel in Evictions legislation, but it would be an important part of a comprehensive plan.

Passed in 2021, the Access to Counsel in Evictions legislation mandates that all limited-income tenants in eviction cases "shall have access to legal

of eviction cases in which the renter had legal representation resulted in prevention of disruptive displacement, in a 2020 study by Stout Risius Ross.

of state costs could be avoided through Access to Counsel in eviction cases, by preventing emergency room, shelter, and foster care costs.

¹ https;//www.usccb.org/resources/right-decent-home-pastoral-response-crisis-housing

² See above footnote 1.

representation as provided under this subtitle." Maryland Annotated Code, Real Property § 8-902.

Governor Hogan and the General Assembly should allocate \$11.8M to fund Access to Counsel implementation in Fiscal Year 2023. With 105,000 Maryland households behind on rent and facing eviction in the wake of COVID-19 – 74% of whom are persons of color; 51% are families with children – we cannot wait.

An allocation of \$11.8 million in Fiscal Year 2023 would help 9,762 Maryland families avoid disruptive displacement in eviction actions. The Access to Counsel in Evictions Task Force issued a <u>report</u> laying out a framework for equitable, effective implementation.

The Task Force called on the State to allocate \$11.8 million in Fiscal Year 2023, with full implementation by 2025. The General Assembly's Spending Affordability Committee recommended \$14 million for Fiscal Year 2023 for initial implementation. Relying on court data and analysis from Stout Risius Ross, the Maryland Legal Services Corporation (MLSC) estimates that there are 29,683 limited-income residents who have an unmet need for legal representation in eviction cases. MLSC estimates that with an additional allocation of \$11.8 million for Fiscal Year 2023, the State can meet approximately 1/3 of that need.

The \$5.4 million proposed by Governor Hogan for counsel in eviction cases is *insufficient* because Maryland residents are slated to lose approximately \$4.4 million in one-time, mostly federal funding for eviction representation that is running out. The State and local jurisdictions have used mostly federal money to expand access to counsel in Fiscal Years 2021 and 2022. This funding will mostly be spent in Fiscal Year 2022 and tenants will actually lose current levels of representation if ATC is not fully funded.

Legal services are unable to meet current demand. Legal services providers such as Community Legal Services of Prince George's County and Public Justice Center report that in the last six months of 2021, they have only been able to provide representation to approximately 1/3 of renter clients due to limited capacity. Similarly, for same-day in-court services, Pro Bono Resource Center of MD estimates that – due to limited capacity - it has reached less than 1/3 of renters who are in need of legal representation in Baltimore County.

Representation balances the scales and saves the state money. Over 90% of landlords are represented by an attorney or specialized agent while over 90% of tenants are not. Counsel is 92% effective in preventing disruptive displacement in evictions according to a study of one jurisdiction in Maryland. By implementing Access to Counsel, the State can help level the scales and save an estimated \$62 million in reduced emergency room, shelter, and foster care costs. It is much less expensive to keep people housed than provide services when they are homeless. Thus, SB 279 is an essential legislation in funding ATC. Beyond the Boundaries is a member of the Renters United Maryland coalition and asks that the Committee issue a FAVORABLE REPORT on SB 279. If you have any questions, please contact:

Chuck Michaels, Esq. Beyond the Boundaries Program Manager cwmichaels@igc.org

SB 279_MLSC_fav.pdf Uploaded by: Deb Seltzer Position: FAV



Testimony Concerning SB 279 "Access to Counsel in Evictions Special Fund - Alteration" Submitted to the Senate Judicial Proceedings Committee Hearing Date: February 9, 2022

Position: Favorable

Contact: Deb Seltzer, Executive Director, 410-576-9494 x1009, dseltzer@mlsc.org

Maryland Legal Services Corporation requests a favorable report on Senate Bill 279, enactment of which would direct certain money received by the Consumer Protection Division of the Office of the Attorney General to the Access to Counsel in Evictions Special Fund.

MLSC is a legislatively created nonprofit organization with a mission to ensure low-income Marylanders have access to stable, efficient and effective civil legal assistance through the distribution of funds to nonprofit legal services organizations. The Maryland General Assembly recognized the importance of civil legal services in rent court by passing the Access to Counsel in Evictions Program during the 2021 session. When funded, the Program will provide legal representation as well as related tenant outreach and education, ensuring low-income tenants facing loss of housing know their rights and have an advocate to guide them through the court process.

As the administrator of the Access to Counsel in Evictions Program, MLSC looks forward to building on our previous eviction prevention grants to ensure the Program proceeds effectively and efficiently, once funding is provided.

Legal aid attorneys working with current MLSC grantees have helped clients achieve a range of outcomes in their cases, including avoiding eviction, delaying eviction so the tenant has additional time to move, avoiding a loss of a housing subsidy, enforcing a tenant's rights under a lease and more. However, the large volume of eviction filings in Maryland paired with a lack of dedicated resources means that providers have never been able to reach more than a few thousand clients with full representation each year. The Access to Counsel in Evictions Program offers a chance to change that paradigm – but only with appropriate funding.

MLSC appreciates consideration of creative funding approaches for this critical program. While related recoveries will likely not be enough to fund the Program in its entirety or on a continual basis, money received through this instrument will be an important supplement to an ongoing, stable funding source. The Access to Counsel in Evictions Task Force also supported the concept of this legislation, paired with an appropriation, in its final report.

MLSC asks for favorable consideration of Senate Bill 279.

BaltimoreCounty_FAV_SB0279.pdf Uploaded by: Joel Beller Position: FAV



JOHN A. OLSZEWSKI, JR. County Executive

JOEL N. BELLER Acting Director of Government Affairs

JOSHUA M. GREENBERG Associate Director of Government Affairs

MIA R. GOGEL Associate Director of Government Affairs

BILL NO.: Senate Bill 279

TITLE: Access to Counsel in Evictions Special Fund - Alteration

SPONSOR: Senator Hettleman

COMMITTEE: Judicial Proceedings

POSITION: SUPPORT

DATE: February 9, 2022

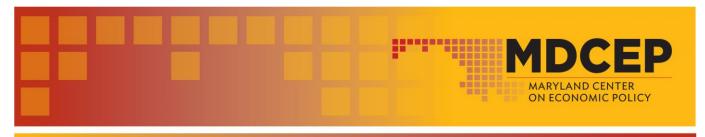
Baltimore County **SUPPORTS** Senate Bill 279 – Access to Counsel in Evictions Special Fund - Alteration. This legislation would establish funding for Access to Counsel in Evictions Special Fund by including money from the enforcement of the Maryland Consumer Protection Act.

Throughout the COVID-19 pandemic, families have struggled more than ever to meet their basic needs, particularly stable housing. As emergency eviction moratoriums are lifted, it is crucial that the state continues to assist those facing eviction by supplying funding for legal counsel. All Marylanders deserve adequate representation for matters as critical as the safety and security of their housing.

Senate Bill 279 ensures that all individuals who are facing eviction have access to funding for legal counsel. This bill does so by adding money obtained by the prosecution and enforcement of the Maryland Consumer Protection Act to the Access to Counsel in Evictions Special Fund. The source of this funding is particularly important because it allows for victims of unfair evictions to receive counsel through funding brought on by prosecution of other unethical eviction practices.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 279. For more information, please contact Joel Beller, Acting Director of Government Affairs at jbeller@baltimorecountymd.gov.

SB279_MD Center on Economic Policy_FAV.pdf Uploaded by: Kali Schumitz



FEBRUARY 9, 2022

Access to Counsel Program Needs Sustainable Funding to Be Effective for Maryland Families

Position Statement Supporting Senate Bill 279

Given before the Judicial Proceedings Committee

Maryland took a major positive step last year when the General Assembly passed legislation guaranteeing access to counsel in eviction cases. However, programs that don't have secure funding cannot live up to their goals. The Maryland Center on Economic Policy supports Senate Bill 279 as part of a larger plan to fully fund implementation of the Access to Counsel in Evictions legislation.

SB 279 would require that any monetary recovery from certain Consumer Protection Act litigation brought by the Attorney General be deposited into the Access to Counsel in Evictions Special Fund. SB 279 is not sufficient by itself to provide a consistent source of funding for implementation of the Access to Counsel in Evictions legislation, but it would be an important part of a comprehensive plan.

Passed in 2021, the Access to Counsel in Evictions legislation mandates that all limited-income tenants in eviction cases "shall have access to legal representation as provided under this subtitle." Governor Hogan and the General Assembly should allocate \$11.8M to fund Access to Counsel implementation in FY 23. With 105,000 Maryland households behind in rent and facing eviction in the wake of Covid-19, 74% of whom are persons of color and 51% being families with children, we cannot afford to waitⁱ

An allocation of \$11.8 million in FY 23 would help 9,762 Maryland families avoid disruptive displacement in eviction actions. The Access to Counsel in Evictions Task Force issued a report laying out a framework for equitable, effective implementation. The Task Force called on the State to allocate \$11.8 million in FY 23, with full implementation by 2025. The General Assembly's Spending Affordability Committee recommended \$14 million for FY 23 for implementation. Relying on court data and analysis from Stout Risius Ross, the Maryland Legal Services Corp. (MLSC) estimates that there are 29,683 limited-income residents who have an unmet need for legal representation in eviction cases. MLSC estimates that with an additional allocation of \$11.8 million for FY 23, the State can meet approximately 1/3 of that need.

The \$5.4 million proposed by Governor Hogan for counsel in eviction cases is insufficient because Maryland residents are slated to lose approximately \$4.4 million in one-time, mostly federal funding for eviction representation that is running out. The State and local jurisdictions have used mostly federal money to expand access to counsel in the last two budget years. This funding will mostly be spent by the time the current budget year ends in June and tenants will lose current levels of representation if access to counsel is not fully funded.

Legal services are unable to meet current demand. Legal services providers such as Community Legal Services of Prince George's County and Public Justice Center report that in the last 6 months of 2021, they have only been able to provide representation to approximately one-third of renter clients due to limited capacity. Similarly, for same-day in-court services, Pro Bono Resource Center of Maryland estimates that – due to limited capacity - it has reached less than one-third of renters who need legal representation in Baltimore County.

Representation balances the scales and saves the state money. Over 90% of landlords are represented by an attorney or specialized agent while over 90% of tenants are not. Counsel is 92% effective in preventing disruptive displacement in evictions according to a study of one jurisdiction in Maryland. ^{iv} By implementing Access to Counsel, the state can help level the scales and save an estimated \$62 million in reduced emergency room, shelter, and foster care costs. It is much less expensive to keep people housed than provide services when they are homeless.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Judicial Proceedings Committee give a favorable report to Senate Bill 279.

Equity Impact Analysis: Senate Bill 279

Bill summary

SB 279 would require that any monetary recovery from certain Consumer Protection Act litigation brought by the Attorney General be deposited into the Access to Counsel in Evictions Special Fund.

Background

Passed in 2021, the Access to Counsel in Evictions legislation mandates that all limited-income tenants in eviction cases "shall have access to legal representation as provided under this subtitle." An allocation of \$11.8 million in the fiscal year 2023 budget would help 9,762 Maryland families avoid disruptive displacement in eviction actions. The Access to Counsel in Evictions Task Force issued a report laying out a framework for equitable, effective implementation. The Task Force called on the State to allocate \$11.8 million in the next budget, with full implementation by 2025. The General Assembly's Spending Affordability Committee recommended \$14 million for FY 23 for implementation. Relying on court data and analysis from Stout Risius Ross, the MD Legal Services Corp. (MLSC) estimates that there are 29,683 limited-income residents who have an unmet need for legal representation in eviction cases. MLSC estimates that with an additional allocation of \$11.8 million for next budget year, the state can meet approximately 1/3 of that need.

Equity Implications

With 105, 000 Maryland households behind in rent and facing eviction in the wake of Covid-19, 74% of whom are persons of color and 51% being families with children, we cannot afford to wait. Over 90% of landlords are represented by an attorney or specialized agent while over 90% of tenants are not. Counsel is 92% effective in preventing disruptive displacement in evictions according to a study of one jurisdiction in Maryland. By implementing Access to Counsel, the State can help level the scales and save an estimated \$62 million in reduced emergency room, shelter, and foster care costs. It is much less expensive to keep people housed than provide services when they are homeless.

Impact

Senate Bill 279 would likely improve racial and economic equity in Maryland.

 $^{{\}rm ^i\,National\,Equity\,Atlas\,(2022)}.\,Rent\,Debt\,in\,America\,\,\underline{\rm https://nationalequityatlas.org/rent-debt}$

ii Maryland Attorney General Office (2022) Report of the Access to Counsel in Evictions Task Force https://www.marylandattorneygeneral.gov/A2C Docs/ATC Task Force Report.pdf

iii Spending Affordability Committee (2021) https://mgaleg.maryland.gov/Pubs/BudgetFiscal/Spending-Affordability-Committee-2021-Interim-Report.pdf

iv The Public Justice Center (2020) *The Economic Impact of an Eviction Right to Counsel in Baltimore City* https://bmorerentersunited.org/rtc/stoutreport/

 $^{^{\}rm v} \ {\rm Maryland} \ {\rm Attorney} \ {\rm General} \ {\rm Office} \ ({\tt 2022}) \ {\it Report} \ {\it of the Access to Counsel in Evictions Task Force} \\ {\it https://www.marylandattorneygeneral.gov/A2C \ Docs/ATC \ Task \ Force \ Report.pdf}$

vi Spending Affordability Committee (2021) https://mgaleg.maryland.gov/Pubs/BudgetFiscal/Spending-Affordability-Committee-2021-Interim-Report.pdf

DRM SB 279 Supports Written Testimony.pdf Uploaded by: Kane Levings Position: FAV



Empowerment. Integration. Equality.

1500 Union Ave., Suite 2000, Baltimore, MD 21211
Phone: 410-727-6352 | Fax: 410-727-6389
www.DisabilityRightsMD.org

Disability Rights Maryland

Senate Judiciary Committee February 9, 2021

SB 279 – Access to Counsel in Evictions Special Fund – Alteration POSITION: SUPPORT

Disability Rights Maryland (DRM – formerly Maryland Disability Law Center) is the federally designated Protection and Advocacy agency in Maryland, mandated to advance the civil rights of people with disabilities. DRM works to prevent evictions for disabled individuals through access to counsel in eviction proceedings.

DRM <u>supports</u> SB 279 as a necessary piece of legislation for the State of Maryland to increase funding for access to counsel in evictions which is vital to growing the number of Maryland residents served through access to counsel. With more funding and services provided, more Maryland residents will remain housed.

SB 279 positively alters the Access to Counsel in Evictions Special Fund by adding money received by the Division of Consumer Protection in the Office of the Attorney General related to the Maryland Consumer Protection Act for unfair, abusive, or deceptive trade practice for residential property. In DRM's eviction work, we have seen countless landlords violate the Consumer Protection Act and still successfully gain possession of their rental property because the tenant does not have access to counsel. If the tenant had counsel during their eviction proceeding, it may have been discovered that the landlord violated the Consumer Protection Act and lead to the tenant remaining housed. The link between the Consumer Protection Act and access to counsel in eviction proceedings is clear and therefore, access to counsel should have access to money received through settlements, agreements, and judgements relating to the Consumer Protection Act.

SB 279 advances these principles that are consistent with the civil rights of persons with disabilities. Therefore, we encourage a favorable report. Thank you for considering our views.

Please do not hesitate to contact Kane Levings at <u>kanel@disabilityrightsmd.org</u> for any questions.

SB 279 - Written Testimony - SENATE.pdf Uploaded by: Katie Davis



SB: 279

HEARING BEFORE THE JUDICIAL PROCEEDINGS COMMITTEE, FEBURARY 9, 2022 at 1:00 PM POSITION: SUPPORT

The Pro Bono Resource Center of Maryland ("PBRC"), an independent 501(c)(3) non-profit organization, is the statewide clearinghouse for volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar. We respond to acute legal needs identified in areas across the state by piloting innovative pro bono service projects targeting specific legal problems or populations.

PBRC urges a FAVORABLE report on SB 279. PBRC supports SB 279 because the Access to Counsel in Evictions Special Fund needs to be funded. Using the additional revenue recovered by the Division of Consumer Protection of the Office of the Attorney General to help fund legal representation for the most vulnerable residents of our state makes sense. SB 279 offers a logical way to increase funding for this critical service without imposing any additional burden on courts or landlords.

In May 2017, with a grant from the Maryland Judiciary's Access to Justice Department, PBRC launched the **Tenant Volunteer Lawyer of the Day Program (TVLD Program)** in Baltimore City Rent Court to provide day-of-court legal representation to tenants who appear unrepresented for their proceedings. In September 2021, the TVLD Program received additional funding to expand to Baltimore County. Typically among the poorest residents of Baltimore City and Baltimore County, tenants appearing in Rent Court often contend with difficult and unsafe living conditions and are unaware of the judicial process, their rights as renters or valid defenses they could raise in the face of eviction proceedings. Because tenants rarely have counsel while landlords are nearly always represented, PBRC has stepped in to help level the playing field.

PBRC attorneys have seen first-hand that access to counsel makes a difference for tenants. In FY 2021, 76% of TVLD clients either avoided an eviction entirely or were granted a postponement delaying their eviction based upon a valid defense asserted at court – outcomes that would rarely be possible without the assistance of counsel. In acknowledgement of the existing inequities as well as the value of access to counsel, the General Assembly passed HB 18 in 2021. It provides access to counsel for residential tenants in eviction cases. However, access to counsel on paper is meaningless if there is insufficient funding to make it a reality. In order to realize HB 18's guarantee of access to counsel in these important cases, all potential sources of funding should be considered.

SB 279 is a straightforward bill that makes sense as a supplemental funding source for the Access to Counsel in Evictions Special Fund. It simply ensures that penalties assessed against predatory landlords would, in part, be directed to the Fund. It does not alter existing law to increase these penalties, nor does it impose any additional burden on courts. As stated in the preamble to the bill itself, Maryland already permits penalties assessed against other bad actors to be directed to funds meant to ameliorate the consequences of their actions. It is logical that this pattern continue with respect to predatory landlords who violate Maryland's consumer protection laws. Although far more funding for Access to Counsel is needed, SB 279 will help move the State in the right direction.

SB 279 will help to ensure the provision of critical legal services those who need them most. PBRC supports SB 279. Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE report on SB 279.

Please contact Katie Davis, Director of PBRC's Courtroom Advocacy Project, with any questions. kdavis@probonomd.org • 443-703-3049

SB279 CLS- Favorable.pdfUploaded by: Kayla Williams Position: FAV



SB 279 Access to Counsel in Evictions Special Fund – Alteration Hearing before the Senate Judicial Proceedings Committee, February 9, 2022

Position: FAVORABLE

Community Legal Services of Prince George's County, Inc., is a non-profit organization established to provide quality legal services to low-income residents in Prince George County. We provide representation to tenants facing eviction in both Prince George's and Anne Arundel County.

We support SB 279 as part of a larger plan to fully fund implementation of the Access to Counsel in Evictions legislation. SB 279 would require that any monetary recovery from certain Consumer Protection Act litigation brought by the Attorney General be deposited into the Access to Counsel in Evictions Special Fund. SB 279 is not sufficient by itself to provide a consistent source of funding for implementation of the Access to Counsel in Evictions legislation, but it would be an important part of a comprehensive plan.

Passed in 2021, the Access to Counsel in Evictions legislation mandates that all limited-income tenants in eviction cases "shall have access to legal representation as provided under this subtitle." RP § 8-902.

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of state costs could be avoided through Access to Counsel in eviction cases, by preventing emergency room, shelter, and foster care costs.

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An allocation of \$11.8 million in FY 23 would help 9,762 Maryland families avoid disruptive displacement in eviction actions. The Access to Counsel in Evictions Task Force issued a report laying out a framework for equitable, effective implementation. The Task Force called on the State to allocate \$11.8 million in FY 23, with full implementation by 2025. The General Assembly's Spending Affordability Committee recommended \$14M for FY 23 for implementation. Relying on court data and analysis from Stout Risius Ross, the MD Legal Services Corp. (MLSC) estimates that there are 29,683 limited-income residents who have an unmet need for legal representation in eviction cases. MLSC

estimates that with an additional allocation of \$11.8 million for FY 23, the State can meet approximately 1/3 of that need.

The \$5.4 million proposed by Governor Hogan for counsel in eviction cases is insufficient because Maryland residents are slated to lose approximately \$4.4 million in one-time, mostly federal funding for eviction representation that is running out. The State and local jurisdictions have used mostly federal money to expand access to counsel in FY 21 & 22. This funding will mostly be spent in FY 22 and tenants will actually lose current levels of representation if ATC is not fully funded.

Legal services are unable to meet current demand. Legal services providers such as Community Legal Services of Prince George's County and Public Justice Center report that in the last 6 months of 2021, they have only been able to provide representation to appx. 1/3 of renter clients due to limited capacity. Similarly, for same-day in-court services, Pro Bono Resource Center of Md. estimates that – due to limited capacity - it has reached less than 1/3 of renters who are in need of legal representation in Baltimore County.

Representation balances the scales and saves the state money. Over 90% of landlords are represented by an attorney or specialized agent while over 90% of tenants are not. Counsel is 92% effective in preventing disruptive displacement in evictions according to a study of one jurisdiction in Maryland. By implementing Access to Counsel, the State can help level the scales and save an estimated \$62 million in reduced emergency room, shelter, and foster care costs. It is much less expensive to keep people housed than provide services when they are homeless.

Community Legal Services of Prince George's County, Inc., is a member of the Renters United Maryland coalition and asks that the Committee **issue a FAVORABLE REPORT on SB 279.** If you have any questions, please contact:

Kayla Williams, Esq., Supervising Attorney, Williams@clspgc.org, 240-391-6532 Ext. 2.

Access to Counsel in Evictions Task Force - SB 279

Uploaded by: Leah Tulin

February 7, 2022

To: The Honorable William C. Smith, Jr.

Chair, Senate Judicial Proceedings Committee

From: Vicki Schultz

Chair, Access to Counsel in Evictions Task Force

Re: Senate Bill 279 – Access to Counsel in Evictions Special Fund – Alteration (SUPPORT

IN PRINCIPLE)

The Maryland Access to Counsel in Evictions Task Force strongly supports the purpose of Senate Bill 279, which is to strengthen the Access to Counsel in Evictions Program by directing additional resources to the Access to Counsel in Evictions Special Fund.

As noted in the Task Force's first annual report in January 2022, funding the Access to Counsel in Evictions Program is an "urgent and critical need." Maryland Legal Services Corporation, the administrator of the Program, has projected that full implementation of the Program will require \$30 million per year. Accounting for a phased implementation period, the Task Force asked Governor Hogan to allocate \$12 million to the Special Fund for this fiscal year. As yet, no money has been deposited into the Fund, delaying implementation of the Program and depriving low-income Marylanders facing eviction of the legal representation that they desperately need and the General Assembly intended to provide.

The Task Force has recommended that the State include an annual, ongoing appropriation for the Special Fund in the operating budget to ensure stable funding for the Access to Counsel in Evictions Program. However, the Task Force also supports efforts to provide funding for the Program through other means. Senate Bill 279 is one such effort and would supplement the Special Fund with money received by the Office of the Attorney General's Consumer Protection Division in connection with a settlement, agreement with, or judgment against a party in a matter enforcing the Consumer Protection Act that relates to residential rental properties.²

¹ That projection—which includes funding for legal services, required outreach and education, administration, and evaluation of the Program—will be revisited and changed as needed as implementation progresses.

² The Task Force is not in the best position to evaluate whether Senate Bill 279, as currently drafted, is limited to monies that would otherwise be deposited into the State's General Fund, or whether it would also sweep in recoveries of restitution and/or funds directed to the Consumer Protection Division for the benefit of consumers. For that reason, the Task Force supports the bill in principle only.

Montgomery County Community Action Board Testimony Uploaded by: Leslie Frey



Montgomery County Community Action Board Testimony in Support of SB279 Access to Counsel in Evictions Special Fund – Alteration Wednesday, February 9, 2022

TO: The Honorable William C. Smith, Jr., Chair; The Honorable Jeff Waldstreicher; and Members of the Judicial Proceedings Committee

FROM: Tiffany Jones, Chair, Montgomery County Community Action Board

The Montgomery County Community Action Board, the County's federally designated anti-poverty group, is in full support of SB279 and asks the Committee for a favorable report. Support for renters' rights has been a longstanding priority for our board. Lower-income households are the most vulnerable when it comes to housing stability, especially in an area like Montgomery County where the cost of housing is so high.

If passed, the bill would:

- Provide funding for the Access to Counsel in Evictions Program administered by the MLSC
 to fully implement access to legal representation in evictions and other related proceedings
 in the State.
- Alter the contents of the Access to Counsel in Evictions Special Fund to include money received by the Division of Consumer Protection in the Office of the Attorney General from a settlement, an agreement, or a judgment relating to a certain investigation or enforcement of the Maryland Consumer Protection Act.

As advocates for the low-income community, our board supports SB279 because it would help to ensure a fairer process for households facing eviction. Protections for renters are critical in areas like ours where the cost of living is so high and affordable housing is so hard to find. Over half of all renters in the County are housing burdened and 63.7% of households with annual incomes of less than \$75,000 are housing burdened.¹ For households who face eviction, legal representation is essential and can mean the difference between housing and homelessness. The funding provided in the bill will help to ensure that more residents can access legal services in evictions proceedings, which could deter wrongful evictions and decrease rates of homelessness.

We ask the Committee members to vote in support of this bill and to continue to explore policies that will help Marylanders find and maintain affordable housing.

http://www.census.gov/programs-surveys/acs/

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Maryland Legal Aid



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February 9, 2021

The Honorable William C. Smith, Jr. 2 East
Miller Senate Office Building
Annapolis, Maryland 21401

RE: Testimony of Maryland Legal Aid in Support of Senate Bill 279 – Access to Counsel in Evictions Special Fund- Alteration

Dear Chair Smith and Members of the Committee:

Thank you for the opportunity to provide testimony on this important bill. Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to Maryland's low-income and vulnerable residents. MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law (e.g., bankruptcy and debt collection), and criminal record expungements to remove barriers to obtaining child custody and housing a driver's license, and employment. Maryland Legal Aid supports SB 279 and asks that this committee give it a favorable report.

This letter serves as notice that Gregory Countess, Esq., will testify in support of Senate Bill 279 on behalf of Maryland Legal Aid at the request of Senator Shelly Hettleman.

In 2010 the Maryland Access to Justice Commission recommended in its 2009 Interim Report the establishment of a right to counsel for poor persons in this state. The Commission supported the principle that low-income Marylanders should have a right to counsel at public expense for adversarial proceedings where basic human needs are at stake, including shelter.¹

In 2021 the Maryland General Assembly reinforced this principle by enacting legislation that supported access to counsel. The bill did not guarantee a right to counsel or provide funding to operates the Access to Counsel program. Though the enacted statute did not create a right to

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 $^{^{1}\} https://www.mdcourts.gov/mdatjc/civilrightcounsel$

counsel, it is another step toward providing meaningful access to justice for poor Maryland renters.

MLA represents thousands of poor Marylanders each year in Landlord/Tenant matters; however, MLA and other legal services providers only have enough funding to represent about 20% of those who need attorneys. The Legal Services Corporation, which provides some funding to MLA, reported that 98% of tenants were unrepresented in eviction cases across the country. SB will provide dedicated funding for the Access to Counsel Program.

Thank you for considering this written testimony. For the reasons stated above, MLA urges a favorable report on SB 279.

/s/ Gregory Countess

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² https://www.lsc.gov/our-impact/publications/other-publications-and-reports/justice-gap-report

SB279 PJC Testimony ATC Funding FAV.pdf Uploaded by: Matt Hill



C. Matthew Hill

Attornev **Public Justice Center** 201 North Charles Street, Suite 1200 Baltimore, Maryland 21201 410-625-9409, ext. 229 hillm@publicjustice.org

SB 279 Access to Counsel in Evictions Special Fund – Alteration Hearing before the Senate Judicial Proceedings Committee, **February 9, 2022**

Position: FAVORABLE

The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to expand their rights to safe, habitable, affordable, and non-discriminatory housing.

We support SB 279 as part of a larger plan to fully fund implementation of the Access to Counsel in Evictions legislation. SB 279 would require that any monetary recovery from certain Consumer Protection Act litigation brought by the Attorney General be deposited into the Access to Counsel in Evictions Special Fund. SB 279 is not sufficient by itself to provide a consistent source of funding for implementation of the Access to Counsel in Evictions legislation, but it would be an important part of a comprehensive plan.

Passed in 2021, the Access to Counsel in Evictions legislation mandates that all limited-income tenants in eviction cases "shall have access to legal representation as provided under this subtitle." RP § 8-902.

of eviction cases in which the renter had legal representation resulted in prevention of disruptive displacement, in a 2020 study by Stout Risius Ross.

of state costs could be avoided through Access to Counsel in eviction cases, by preventing emergency room, shelter, and foster care costs.

Governor Hogan and the General Assembly should allocate \$11.8M to fund Access to Counsel implementation in FY 23. With 105,000 Maryland households behind on rent and facing eviction in the wake of COVID-19 – 74% of whom are persons of color; 51% are families with children – we cannot wait.

An allocation of \$11.8 million in FY 23 would help 9,762 Maryland families avoid disruptive displacement in eviction actions. The Access to Counsel in Evictions Task Force issued a report laying out a framework for equitable, effective implementation. The Task Force called on the State to allocate \$11.8 million in FY 23, with full implementation

The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.

by 2025. The General Assembly's Spending Affordability Committee recommended \$14M for FY 23 for implementation. Relying on court data and analysis from Stout Risius Ross, the MD Legal Services Corp. (MLSC) estimates that there are 29,683 limited-income residents who have an unmet need for legal representation in eviction cases. MLSC estimates that with an additional allocation of \$11.8 million for FY 23, the State can meet approximately 1/3 of that need.

The \$5.4 million proposed by Governor Hogan for counsel in eviction cases is insufficient because Maryland residents are slated to lose approximately \$4.4 million in one-time, mostly federal funding for eviction representation that is running out. The State and local jurisdictions have used mostly federal money to expand access to counsel in FY 21 & 22. This funding will mostly be spent in FY 22 and tenants will actually lose current levels of representation if ATC is not fully funded.

Legal services are unable to meet current demand. Legal services providers such as Community Legal Services of Prince George's County and Public Justice Center report that in the last 6 months of 2021, they have only been able to provide representation to appx. 1/3 of renter clients due to limited capacity. Similarly, for same-day in-court services, Pro Bono Resource Center of Md. estimates that – due to limited capacity - it has reached less than 1/3 of renters who are in need of legal representation in Baltimore County.

Representation balances the scales and saves the state money. Over 90% of landlords are represented by an attorney or specialized agent while over 90% of tenants are not. Counsel is 92% effective in preventing disruptive displacement in evictions according to a study of one jurisdiction in Maryland. By implementing Access to Counsel, the State can help level the scales and save an estimated \$62 million in reduced emergency room, shelter, and foster care costs. It is much less expensive to keep people housed than provide services when they are homeless.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Committee **issue a FAVORABLE REPORT on SB 279.** If you have any questions, please contact: C. Matthew Hill, hillm@publicjustice.org, 410-625-9409, ext. 229.

SB 279 - Tenant Right to Counsel - Funding.pdf Uploaded by: Matt Peterson

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WRITTEN TESTIMONY

Senate Bill 279 – Access to Counsel in Evictions Special Fund – Alteration

Judicial Proceeding Committee February 9, 2022

SUPPORT

Background: Senate Bill 279 (SB279) This bill would establish a funding mechanism for the right to legal counsel for low-income tenants in rent court who are facing eviction. Additionally, it funds several resources for tenants to help them know their rights throughout the eviction process. Funding would be derived from fees paid by violators of the Maryland Consumer Protection Act for an unfair, abusive, or deceptive trade practices relating to residential rental properties.

Written Comments: The pandemic has dramatically exacerbated an already budding affordable housing crisis in Maryland. The eventual amount of evictions it leads to could be unprecedented. SB 279 would help mitigate the effects of this crisis by funding the *already existing* tenant access to counsel program. It will ensure that all tenants have access to what should be considered a basic resource, during an eviction.

Just 1% of tenants appear in rent court with representation, compared to 98% of landlords who do have representation. This undoubtedly leaves tenants lost in the proceedings of rent court and makes it significantly more likely they will conclude with a negative disposition. Not only would this bill keep more tenants in their homes, it would save the state and localities millions of dollars each year in services for would-be homeless families, while decreasing the burden on law enforcement and the courts.

As the legislative arm of The Associated: Jewish Community Federation of Baltimore, we represent Comprehensive Housing Assistance Inc. (CHAI). CHAI works to provide assistance to all residents of Northwest Baltimore. This includes helping them find a safe place to live, and to stay in their home even during difficult circumstances. This bill would provide CHAI, and all housing assistance agencies in Maryland with more of the tools they need to continue helping clients in need. With this in mind, the Baltimore Jewish Council urges a favorable report of SB 279.

The Baltimore Jewish Council, a coalition of central Maryland Jewish organizations and congregations, advocates at all levels of government, on a variety of social welfare, economic and religious concerns, to protect and promote the interests of The Associated Jewish Community Federation of Baltimore, its agencies and the Greater Baltimore Jewish community.



Baltimore Jewish Council is an agency of The Associated

Testimony Renters Alliance SB279 ATC Funding 2.9.2 Uploaded by: Matthew Losak



SB 279 Access to Counsel in Evictions Special Fund – Alteration Hearing before the Senate Judicial Proceedings Committee, February 9, 2022

Position: FAVORABLE

The Montgomery Count Renters Alliance—an alliance of more than 30 labor, community, religious, political and civic action organizations and thousands of renters. We are Maryland's first and only regional nonprofit dedicated exclusively to renter outreach, education, organizing and advocacy.

We join our allies in supporting SB 279 as part of a larger plan to fully fund implementation of the Access to Counsel in Evictions legislation. We understand that SB 279 would require that any monetary recovery from certain Consumer Protection Act litigation brought by the Attorney General be deposited into the Access to Counsel in Evictions Special Fund. We agree that SB 279 is not sufficient by itself to provide a consistent source of funding for implementation of the Access to Counsel in Evictions legislation, but it would be an important part of a comprehensive plan.

Passed in 2021, the Access to Counsel in Evictions legislation mandates that all limited-income tenants in eviction cases "shall have access to legal representation as provided under this subtitle." RP § 8-902.

Governor Hogan and the General Assembly should allocate \$11.8M to fund Access to Counsel implementation in FY 23. With 105,000 Maryland households behind on rent and facing eviction in the wake of COVID-19 – 74% of whom are persons of color; 51% are families with children – we cannot wait.

An allocation of \$11.8 million in FY 23 would help 9,762 Maryland families avoid disruptive displacement in eviction actions. The Access to Counsel in Evictions Task Force issued a report laying out a framework for equitable, effective implementation. The Task Force called on the State to allocate \$11.8 million in FY 23, with full implementation by 2025. The General Assembly's Spending

(Renters Alliance Testimony Cont.)

Affordability Committee recommended <u>\$14M for FY 23</u> for implementation. Relying on court data and analysis from Stout Risius Ross,

the MD Legal Services Corp. (MLSC) estimates that there are 29,683 limited-income residents who have an unmet need for legal representation in eviction cases. MLSC estimates that with an additional allocation of \$11.8 million for FY 23, the State can meet approximately 1/3 of that need.

The \$5.4 million proposed by Governor Hogan for counsel in eviction cases is insufficient because Maryland residents are slated to lose approximately \$4.4 million in one-time, mostly federal funding for eviction representation that is running out. The State and local jurisdictions have used mostly federal money to expand access to counsel in FY 21 & 22. This funding will mostly be spent in FY 22 and tenants will actually lose current levels of representation if ATC is not fully funded.

Legal services are unable to meet current demand. Legal services providers such as Community Legal Services of Prince George's County and Public Justice Center report that in the last 6 months of 2021, they have only been able to provide representation to appx. 1/3 of renter clients due to limited capacity. Similarly, for same-day in-court services, Pro Bono Resource Center of Md. estimates that – due to limited capacity - it has reached less than 1/3 of renters who are in need of legal representation in Baltimore County.

Representation balances the scales and saves the state money. Over 90% of landlords are represented by an attorney or specialized agent while over 90% of tenants are not. Counsel is 92% effective in preventing disruptive displacement in evictions according to a study of one jurisdiction in Maryland. By implementing Access to Counsel, the State can help level the scales and save an estimated \$62 million in reduced emergency room, shelter, and foster care costs. It is much less expensive to keep people housed than provide services when they are homeless.

The Montgomery County Renters Alliance is a co-founder of the Renters United Maryland coalition and asks that the Committee **issue a FAVORABLE REPORT on SB 279.** If you have any questions, please contact:

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Testimony in Support of SB279 – FAVORABLE

Access to Counsel in Evictions Special Fund – Alteration Before the Judicial Proceedings Committee – February 9, 2022

Senate Bill 279, cross-filed with House Bill 571, will help Maryland effectuate the right to counsel in eviction proceedings that the General Assembly passed through House Bill 18 in 2021. The bill would provide funding to the Access to Counsel in Evictions Special Funds through money received by the Division of Consumer Protection of the Office of the Attorney General from violations of rental residential property rights under the Consumer Protection Act. Funding the Access to Counsel program is critical to the long-term success of providing tenants with legal representation in eviction proceedings in Maryland. Without funding, the program will not reach its full potential, and inevitably nothing will change for the many Marylanders who face eviction and their communities. Evictions are damaging to individuals and public health. Eviction defense is an effective public health measure, proven to prevent disruptive displacement of individuals and families and bring cohesion to communities. Senate Bill 279 is necessary to implement the Access to Counsel program and it is worth repeating why House Bill 18, which created the program, was passed last session.

Eviction Has Long-Lasting and Significant Health Impacts on Individuals and Families

Housing stability and health are directly correlated—a stable home is a basis for a healthy life. Many organizations, including the World Health Organization and the Centers for Disease Control and Prevention, recognize that housing is a "social determinant of health," meaning where you live plays a role in your health and longevity. Housing instability comes with long-lasting and significant damaging health consequences to individuals and families. Adults who face eviction are more likely to report symptoms of poor health, such as high blood pressure, depression, anxiety, and psychological distress.² Children in families that encounter eviction are also more likely to experience poor health, a higher prevalence of food insecurity, and worse educational outcomes than other low-income children.³ Moreover, young adults who have

¹ Centers for Disease Control and Prevention, *Social Determinants of Health: Know What Affects Health*, https://www.cdc.gov/socialdeterminants/index.htm.

² Allison Bovell-Amman, *The Hidden Health Crisis of Eviction*, BOSTON UNIV. SCHOOL OF PUB. HEALTH (Oct. 5, 2018), https://www.bu.edu/sph/news/articles/2018/the-hidden-health-crisis-of-eviction/.

³ Gracie Himmelstein & Matthew Desmond, *Eviction and Health: A Vicious Cycle Exacerbated By A Pandemic*, HEALTH AFFAIRS (Apr. 1, 2021), https://www.healthaffairs.org/do/10.1377/hpb20210315.747908/full/.

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experienced eviction are at higher risk of teen pregnancy, drug use, and depression.⁴ Eviction also directly impacts the health and social connectedness of communities—frequent moves cause individuals to feel less invested in their communities, homes, and social relationships.⁵

The ramifications of an eviction continue over time and eventually into all aspects of an individual's life.⁶ An eviction record can create economic hardships and health problems. Its consequences are like having a criminal record—an eviction record remains public for seven years and remains visible to landlords, rental agencies, and potential employers during the screening process. Thus, it is difficult for individuals to find subsequent housing and jobs.⁷ The working poor often lose their jobs because of eviction⁸ and, once unemployed, have difficulty finding new jobs, particularly without a stable address. After displacement, families often end up moving to lower-quality homes, unsafe conditions, and into neighborhoods with higher rates of poverty and crime.⁹ Consequently, eviction is so detrimental to individuals and Maryland communities, and it should be avoided whenever possible.

Legal Representation in Eviction Proceedings Reduces Eviction Rates

The average tenant is unprepared and often unaware of how to advocate for themselves or assert valid defenses, and without legal representation most tenants lose their case and face eviction. Last year, Maryland took an important step to address this issue and became one of three states that have a categorical right to counsel. Earlier this year, New York introduced a statewide bill that provides a right to counsel in eviction proceedings. Additionally, at least sixteen local jurisdictions have a right to counsel for tenants, including Kansas City, Minneapolis, Toledo, and Louisville.

⁴ Lauren Taylor, *Housing and Health: An Overview of The Literature*, HEALTH AFFAIRS (June 7, 2018), https://www.healthaffairs.org/do/10.1377/hpb20180313.396577/.

⁵ Katie Moran-McCabe & Scott Burris, *Eviction and the Necessary Conditions for Health*, NEW ENGLAND J. OF MED. (Oct. 14, 2021), https://www.nejm.org/doi/full/10.1056/NEJMp2031947.

⁶ Kristin Ginger, *Eviction Filings Hurt Tenants, Even If They Win*, SHELTER FORCE (July 30, 2018), https://shelterforce.org/2018/07/30/eviction-filings-hurt-tenants-even-if-they-win/.

⁷ Jake Blumgart, *To Reduce Unfair Evictions, Tenants Need Lawyers*, PLAN PHILLY (Mar. 16, 2017), https://whyy.org/articles/to-reduce-unfair-evictions-tenants-need-lawyers/.

⁸ Housing Instability Increases Likelihood of Job Loss, NAT'L LOW INCOME HOUSING COAL. (Feb. 20, 2018), https://nlihc.org/resource/housing-instability-increases-likelihood-job-loss, summarizing Matthew Desmond & Carl Gershenson, Housing and Employment Insecurity among the Working Poor, Soc. Probs. (Jan. 11, 2016), https://scholar.harvard.edu/files/mdesmond/files/desmondgershenson.sp2016.pdf?m=1452638824.

⁹ Heidi Schultheis & Caitlin Rooney, *A Right to Counsel is a Right to a Fighting Chance*, CTR. AM. PROGRESS (Oct. 2, 2019), https://www.americanprogress.org/article/right-counsel-right-fighting-chance/.

¹⁰ Schultheis & Rooney, *supra* note 9.

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Research shows that one of the ways to reduce evictions for low-income tenants is to level the playing field between tenants and landlords—guaranteeing legal representation for tenants.¹¹ In 2020, one study found that 92% of tenants were able to prevent disruptive displacement when they had legal representation.¹² After New York City passed access to counsel, 100% of tenants who had scheduled eviction cases had full access to legal services, and 84% of tenants were able to stay in their homes.¹³ In Cleveland, Ohio, 93% of tenants represented by legal counsel avoided eviction or involuntary moves, and 83% who were seeking additional time to move were able to do so.¹⁴ Even in situations where eviction is warranted, attorneys are still able to mitigate the impacts of eviction. An attorney may be able to keep eviction filings off tenants' records, negotiate for more time for tenants to move out, help tenants apply for rental assistance, or reduce the amount of money owed to a landlord.¹⁵ These steps that attorneys can take are critical to ensuring that tenants may be able to secure healthy, safe housing later.

Senate Bill 279 is Necessary for Implementation of the Access to Counsel Program

You acknowledged the need for access to counsel in eviction proceedings last year and that need has only grown since. Maryland's legal services providers are unable to keep up with the current demand for legal representation. Funding Maryland's new Access to Counsel in Evictions Special Funds is necessary to fully implement the program throughout Maryland and keep pace with the demand for legal representation. Although there are concerns about the cost of implementation, the program will result in substantial savings to the State. In passing House Bill 18, the General Assembly recognized that evictions create significant costs to the State—including emergency shelters, temporary housing, mental health care, transportation costs, foster care, and costs associated with children changing schools. These costs could be avoided by funding and implementing the Access to Counsel program.

¹¹ Schultheis & Rooney, *supra* note 9.

¹² Access to Counsel Funding, RENTERS UNITED MARYLAND (Jan. 31, 2022), http://rentersunitedmaryland.org/housing-justice-22/.

¹³ Office of Civil Justice, *Universal Access to Legal Services*, NYC.GOV 1, 5–8 (2021), https://www1.nyc.gov/assets/hra/downloads/pdf/services/civiljustice/OCJ UA Annual Report 2021.pdf.

¹⁴ Right to Counsel, Free Eviction Help, THE LEGAL AID SOC'Y OF CLEVELAND (Jan. 31, 2021), https://lasclev.org/wp-content/uploads/January-2021-report-on-initial-6-months-of-Right-to-Counsel-Cleveland-high-res.pdf.

¹⁵ Schultheis & Rooney, *supra* note 9.

¹⁶ Access to Counsel Funding, supra note 12.

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The Maryland Access to Counsel in Evictions Tasks Force reported that about \$12 million in funding for fiscal year 2023 is required for the program to realize its full impact. 17 Many states and several cities are relying on federal funds to get access to counsel programs started, 18 while others have supplemented federal funding and attempted to create additional, new funding sources. 19 Senate Bill 279 would access an effective and appropriate funding source for the Access to Counsel program, utilizing a funding approach that the state has already successfully implemented with the Cigarette Restitution Fund and the Opioid Restitution Fund. If Senate Bill 279 passes, the funds received would be used to keep people in their homes and avoid the negative consequences of displacement, where appropriate, by providing legal representation to tenants facing eviction. Having decided last year that access to counsel for tenants is a priority, it is time for the State to ensure the program's success by seeking all viable sources of funding to put House Bill 18 into effect. Senate Bill 279 is one step in the right direction.

Conclusion

"Without access to justice, the promise of equal justice rings hollow."²⁰ Maryland took the critical step to provide tenants with access to counsel; however, the program cannot be fully implemented and reach its full potential without sufficient funding. Eviction leaves tenants and families with long-lasting and significant negative health impacts. Eviction generates avoidable costs for the State. Providing legal representation can avoid unwarranted evictions and result in positive outcomes for Maryland tenants. This bill is an important step towards creating a new and additional funding source for a new and vital program that provides the right to access counsel in eviction proceedings.

¹⁷ Reena K. Shah, *It's Time to Fund the Access to Counsel in Eviction Fund*, THE DAILY REC. (Jan. 12, 2022), https://thedailyrecord.com/2022/01/12/its-time-to-fund-the-access-to-counsel-in-eviction-law/.

¹⁸ Connecticut has allocated \$20 million of Coronavirus State Fiscal Recovery Funds for tenant representation and local jurisdictions have also used COVID federal funding to start up the programs.

¹⁹ For example, in Boulder, the city is funding the right to counsel through a new rental licensing excise tax of \$75 per year per licensed unit. Shelby R. King, *Right to Counsel Movement Gains Traction*, SHELTERFORCE (July 16, 2021), https://shelterforce.org/2021/07/16/right-to-counsel-movement-gains-traction/.

²⁰ Attorney General Merrick B. Garland Delivers Remarks at the White House–Justice Department Convening with Law Schools: A Call to Action for Access to Justice, DEP'T OF JUST. (Jan. 28, 2022), https://www.justice.gov/opa/speech/attorney-general-merrick-b-garland-delivers-remarks-white-house-justice-department.

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This testimony is submitted on behalf of the Public Health Law Clinic at the University of Maryland Carey School of Law and not by the School of Law, the University of Maryland, Baltimore, or the University of Maryland System.

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SB279

Access to Counsel in Evictions Special Fund - Alteration

Senate Judicial Proceedings Committee

SUPPORT

The Maryland Access to Justice Commission (A2JC) is an independent entity supported by the Maryland State Bar Association (MSBA) that unites leaders to drive reforms and innovations to make the civil justice system accessible, fair and equitable for all Marylanders. Prominent leaders from different segments of the legal community in Maryland – including the deans of the two law schools, the attorney general, law firm partners, heads of the legal services providers and funders, corporate counsel, academics, legislators, the state bar and judiciary comprise the A2JC.

The Maryland Access to Justice Commission Supports the Principle of Funding the Access to Counsel in Evictions Fund

Last year, the Maryland General Assembly passed HB18, creating a statewide Access to Counsel in Eviction Program. The bill became law, effective October 1, 2021. However, the Program remains unfunded. The law mandated the Access to Counsel in Evictions Task Force, whose leadership was composed of members of the Access to Justice Commission, started its work on October 1, 2021 and delivered its final report on January 1, 2022. The report is clear to highlight that "[f]unding is the most urgent and critical need."

Indeed, the report goes on to state the following:

Without [funding], this Program cannot be implemented and nothing will change for the many low-income Marylanders who face eviction. The Task Force strongly recommends that the necessary funding be identified and deposited into the Fund so that phased implementation for the Program can begin. The recommendations for sufficient Program funding begin with the gold standard and most stable source of funding—an annual state appropriation for the Program—and progress to recommend other sources as well.

The Task Force supports, in concept, legislation that would direct money to the Fund through Consumer Protection Act penalties, federal rental assistance programs, or other sources.... Although the Task Force has not yet seen the text of these bills, it generally supports such efforts to direct external and federal money to the Fund in order to supplement a State appropriation.

Following the recommendation of the Access to Counsel Task Force, the Commission also supports additional funding sources to the Access to Counsel Fund, such as the one identified in SB279.

Funding the Access to Counsel Program is a Cost-Effective Way to Prevent Evictions

Evictions involve a legal process that can be complex, especially for low-income renters, where federal, state and local laws are implicated, in addition to contract law and case law. Funding this Access to Counsel in Eviction Program is crucial to the Program's implementation. HB18 was passed last year on the premise that providing access to counsel to tenants facing eviction "is a proven means of preventing the disruptive displacement of families and the resulting social, economic, and public health costs of such displacement." Lawyers not only help prevent evictions, but can also help in "delaying evictions, providing their clients more time to move, securing access to housing, . . . overcoming a denial of a tenant's rights under a lease, enforcing rights to decent, habitable housing, . . . [and] obtaining repairs."

Indeed, even as Congress exhibited a significant commitment of emergency rental assistance funds, the federal government has also strongly recognized that tenants are more likely to avoid eviction when they have access to legal representation and that counsel can help tenants navigate the process of seeking and obtaining rental assistance.

Given the various ways in which lawyers can help tenants avoid eviction, it is unsurprising that numerous studies show that tenants who have counsel fare better than those who do not. For example, in New York City, the first jurisdiction in the country to implement a right to counsel in evictions program, the rate of tenants represented by counsel went from 1% before the program began to more than 71% in the fourth quarter of 2021. The program has delivered enormously successful results: during the last fiscal year, "84% of households represented in court by lawyers [provided through the program] were able to remain in their homes, preserving these tenancies and promoting the preservation of affordable housing and neighborhood stability."

Similarly in Maryland, we need to ensure funding for the Access to Counsel Program and thus support the inclusion of funds from Consumer Protection settlements as a means to fund the program.

For the reasons stated, the Maryland Access to Justice Commission requests the Senate Judicial Proceedings Committee to issue a FAVORABLE report on SB279. For more information, please contact Reena K. Shah, Executive Director of the Maryland Access to Justice Commission, at reena@msba.org.

SB 279 - MSBA Support Letter (2022.02.07).pdf Uploaded by: Shaoli Katana

MEMORANDUM

To: Members of the Senate Judicial Proceedings Committee

From: Maryland State Bar Association (MSBA)

Shaoli Katana, Esq., Director

Subject: Senate Bill 279 - Access to Counsel in Evictions Special Fund - Alteration

Date: February 7, 2022

Position: Support

The Maryland State Bar Association (MSBA) joins its partner, the Maryland Access to Justice Commission, and supports **Senate Bill 279 - Access to Counsel in Evictions Special Fund - Alteration**. Senate Bill 279 alters the Access to Counsel in Evictions Special Fund to include money received by the Division of Consumer Protection in the Office of the Attorney General from a settlement, an agreement, or a judgment relating to an investigation or enforcement of the Maryland Consumer Protection Act for an unfair, abusive, or deceptive trade practice for rental residential property, excluding money received by the aggrieved party and the costs of the action the Attorney General is entitled to recover.

MSBA represents more attorneys than any other organization across the State in all practice areas. MSBA serves as the voice of Maryland's legal profession. Through its Laws Committee and various practice-specific sections, MSBA monitors and takes positions on legislation of importance to the legal profession.

MSBA supports access to justice for Marylanders and funding of the justice system. MSBA and its partner the Access to Justice Commission recently supported and secured the passage of the legal right to counsel in eviction matters, to help many Maryland renters negatively impacted by the pandemic. SB 279 takes the next step to implement the program through much-needed funding for the Access to Counsel in Evictions Special Fund.

For the reasons stated above, MSBA **supports** SB 279 and respectfully requests a **favorable report**. For additional information, please feel free to contact Shaoli Katana at MSBA at shaoli@msba.org.

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SHELLY HETTLEMAN

Legislative District 11
Baltimore County

Judicial Proceedings Committee

Joint Committee on Children, Youth, and Families

Joint Committee on the Chesapeake and Atlantic Coastal Bays Critical Area



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The Senate of Maryland Annapolis, Maryland 21401

TESTIMONY OF SENATOR SHELLY HETTLEMAN SB 279 ACCESS TO COUNSEL IN EVICTIONS SPECIAL FUND – ALTERATION

Senate Bill 279 allows money from the Attorney General's Consumer Protection Division (CPD) to be used for the Access to Counsel in Eviction Special Fund ("Special Fund"). The bill is needed to make sure that the legislation we passed last year, ensuring tenant access to counsel is fulfilled, tenants are protected, our courts stay efficient, and property owners can manage their customer interactions more economically.

This bill states that money from settlements or judgments against parties investigated or charged by the CPD may be used to fund the Special Fund. It does not raise taxes, fees or otherwise change the budget. The idea behind the bill stems from legislative action on similarly situated lawsuits brought by our state – against tobacco companies and opioid manufacturers. In this case, in a suit involving large real estate companies, the Office of Administrative Hearings addressed a lengthy list of complaints against large scale property management companies and landlords. The action brought by the Attorney General sought to protect tenants by identifying the unfair trade practices by some of the worst actors in our state.

This bill does nothing to punish good landlords, or in any way increase the cost of operating as a landlord in any jurisdiction in Maryland. This bill simply states that money from settlements or judgments from cases where tenants' property and consumer rights were violated can be used to fund access to counsel in eviction cases. The money goes to the Maryland Legal Services Corporation, which administers the fund and disperses the money to the appropriate legal services providers in Maryland.

In 2000, Maryland created the Cigarette Restitution Fund. That fund created an annual revenue stream to improve health and social services to support Marylanders impacted by all of the harms of smoking. In 2019, we created the Opiate Restitution Fund based on the same idea — that the money that comes from these cases should go towards fixing peoples' lives. This fund does exactly the same thing. It ensures that money from these actions against the worst actors in our state goes to fixing the problems that we all agree need fixing.

For the foregoing reasons, I urge this committee to adopt a favorable report.

MMHA - 2022 - SB 279 - Favorable with Amendments.p

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Committee: Judicial Proceedings Date: February 9, 2022

Position: Favorable with Amendments

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 279 ("SB 279") directs funding to the Access to Counsel in Evictions Program. Funding under SB 279 is comprised of funds received by the Attorney General from any settlement, agreement with, or judgement against a party relating to an investigation or enforcement of the Maryland Consumer Protection Act for an unfair, abusive, or deceptive trade practice for rental residential property. SB 279 excludes from the funding any money received by the aggrieved party and the costs of the action the Attorney General is entitled to recover.

MMHA's position on funding for the Access to Counsel in Evictions Program ("A2C Program") has been consistent. MMHA is supportive of funds that do not burden housing providers who are acting in good faith and providing critical services to Maryland's residents. As such, MMHA is supportive of SB 279 due to its funding being derived from violations of the Maryland Consumer Protection Act. SB 279 is certainly a more appropriate method to fund the A2C Program than unrecoverable court costs being levied against housing providers that are exercising their right to access the impartial judicial system.

Though it is a better funding mechanism than unrecoverable court costs, SB 279 does not clearly delineate the finality of the court process. As such, MMHA respectfully requests that the committee consider the following two amendments:

- **Amendment One:** On page 2, strike lines 6 through 8.
 - This amendment would remove uncodified language from the bill that currently includes the names of businesses that are involved in a pending legal matter that may be subject to appeal.
- Amendment Two: On page 2, lines 23 and 24, insert the term "FINAL" before the terms "SETTLEMENT," "AGREEMENT," and "JUDGEMENT."
 - o Amendment two clarifies that funds will be allocated at the conclusion of court process or upon a final agreement or settlement.