



POSITION STATEMENT

**TESTIMONY PRESENTED TO THE HOUSE JUDICIARY COMMITTEE
HOUSE BILL 349 – SMALL CLAIMS - EXAMINATION IN AID OF ENFORCEMENT -
PROHIBITION ON ARREST OR INCARCERATION FOR FAILURE TO APPEAR**

Sponsor: Delegate Moon

February 9, 2022

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

The Greater Baltimore Committee (GBC) supports House Bill 349, which prohibits an individual from being arrested or incarcerated for failure to respond to an order to appear in court (1) for an examination in aid of enforcement of a money judgment entered in a small claim action in the District Court or (2) to show cause why the individual should not be found in contempt for failure to appear in court for an examination in aid of enforcement of a money judgment entered in a small claim action in the District Court.

Under current law, a lawsuit filed by a creditor for a principal amount that is \$5,000 or below is considered a small claim and is heard in District Court, where there are few or no strict rules of evidence applied, and few procedural safeguards.

According to research from the Maryland Consumer Rights Coalition (MCRC), consumer debt collection lawsuits and the resulting judgements are disproportionately carried out in communities-of-color throughout Maryland. From the MCRC 2018 publication *No Exit: How Maryland's Debt Collection Practices Deepen Poverty & Widen the Racial Wealth Gap*:

“Debtors’ prisons create a two-tiered system of justice: those who can afford to pay a bail or bond do not go to jail, while those who can’t afford to pay remain in jail. The practice creates a vicious cycle of poverty wherein the individual cannot work because they are jailed. They may lose their job, which, of course, makes it far more difficult to repay a debt. Jailing someone for a debt serves no constructive purpose: the individual is not violent, nor are they a danger to the community. They are simply poor, which is not supposed to be a jailable offense in Maryland.”

House Bill 349 is consistent with the Greater Baltimore Committee’s organizational focus on advancing racial equity and social justice by considering the disproportionate impact that legislation may have on small and minority owned businesses, minority populations, and economically disadvantaged residents.

For these reasons, the Greater Baltimore Committee urges a favorable report on House Bill 349.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

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