

<u>HB1050</u>

Access to Counsel in Evictions - Funding

House Appropriations

SUPPORT

The Access to Counsel in Evictions Task Force

<u>The Access to Counsel in Evictions Task Force (ACE TF)</u> is a legislatively mandated body that was created by HB18, the Access to Counsel in Evictions law. The ACE TF has 15 members, including 3 tenant representatives; 2 landlord representatives; legal services organizations, community groups, the state bar, the judiciary and MLSC. The ACE TF is staffed by the Office of the Attorney General and the Chair of the Task Force is appointed by the Attorney General. The ACE TF's role is to do the following:

- Evaluate the services provided through the ACE Program;
- Study potential funding sources; and
- Make recommendations to improve the implementation of the Program, including necessary policy and statutory changes.

The Task Force has issued two reports to the Governor and the legislature since its inception. The January 2023 annual report was delivered on December 31, 2022 and can be found here: https://www.marvlandattornevgeneral.gov/A2C_Docs/2023_ACE_TF_Report.pdf.

The Task Force delivered a briefing to the House Judiciary Committee on February 1, 2023 on the findings and recommendations of the ACE TF, see here:

https://mgaleg.maryland.gov/mgawebsite/Committees/Media/false?cmte=jud&clip=JUD_2_1_2023_ meeting_1&ys=2023rs

Key Recommendations from the ACE TF Report:

The ACE TF deemed permanent and on-going State funding for the ACE Program to be its top priority to ensure continuity and confidence in building and implementing a successful statewide ACE Program. In light of the end of pandemic era protections and the proven effectiveness of ACE, the ACE TF asserted that the ACE law is poised to serve as the strongest bulwark against disruptive displacement and eviction in Maryland.

Specifically, the Task Force recommended the following in terms of funding:

For the General Assembly

- Provide sufficient state funding for the Access to Counsel in Evictions Program to fully implement the Program throughout the State as required by the statute.
- Streamline funding sources, ideally to a single source like a line-item in the state budget or the Abandoned Property Fund, in order to simplify procurement and reporting requirements.
- Remove the one year restriction on the Abandoned Property Fund to make it a perpetual and permanent source of funding for the ACE Program.

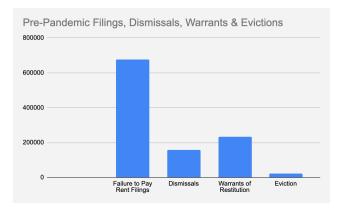
Key Reasons Why the Access to Counsel in Evictions Law is Necessary

As the Committee considers fully funding the ACE law, it is important to remember why the law was passed in the first instance, and why it is important to continue to fund it to ensure we are able to reap the benefits of the law.

1. High number of case filings: In 2019 - there were 674,575 filings compared to about 805,000 renter households.

Eviction Filing Rate by State			
MARYLAND			103.65%
OUTH CAROLINA	18.70%		
GEORGIA	16.82%		
DELAWARE	16.19%		
VIRGINIA	14.48%		
MICHIGAN	13.31%		
ORTH CAROLINA	10.85%		
INDIANA	8.52%		
OKLAHOMA	8.20%		
MISSISSIPPI	6.77%		

2. Case filings are high relative to evictions, but both are high on their own terms. In 2019, there were 674,575 filings, approximately 158K dismissals, approximately 234K Warrants of Restitution & 21,676 Evictions.



3. Evictions are a public health issue

Many studies show that eviction is a public health issue and can exacerbate public health impacts.

- 4. Evictions have many Collateral Consequences, harming individuals, families and communities. They
 - → Place a great economic burden on landlords & tenants;
 - → Hurt future employment & housing prospects of tenants;
 - → Negatively impact physical & mental health of those impacted;
 - → In children: lower school performance and increase behavioral issues.
- 5. Disproportionate impact on women & persons and communities of color, especially Black women

2020 Baltimore City study finds that the <u>"number of Black female headed household removals is 3.9</u> <u>times higher (296% more)</u> than the number of white male headed evictions"

- 6. Evictions are costly to the state when you add up law enforcement, shelter, healthcare, transportation and foster care costs.
- 7. Eviction is a complex legal process for vulnerable Marylanders to navigate on their own.
- There is a knowledge gap between landlords and tenants about laws and court process;
- Eviction can involve navigating federal, state, local, contract and case law.
- 1% tenants represented v. over 96% of landlords with some type of legal representation.
- 8. "Providing a right or access to counsel to tenants in eviction cases is a proven means of preventing the disruptive displacement of families and the resulting social, economic, and public health costs of such displacement."

For example, in New York City, 84% of households represented in court by lawyers were able to remain in their homes. In Cleveland, 93% of represented tenants have avoided an eviction or involuntary move.

The ACE Task Force Strongly Supports HB1050

For the reasons stated, the ACE TF requests the House Appropriations Committee to issue a FAVORABLE report HB1050. For more information, please contact Tara Miles, OAG staff to the Task Force at <u>tmiles@oag.state.md.us</u> or Reena Shah, Chair of the Task Force at <u>reena@msba.org</u>.