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March 24, 2025

TO: The Honorable Ben Barnes, Chair

House Appropriations Committee

FROM: Louise Flavahan, Director of Policy

Office of Equity, Policy, and Engagement, Office of the Attorney General

RE: Senate Bill 154 – Access to Counsel in Evictions – Task Force and Special Fund

(FAVORABLE)

The Office of the Attorney General supports Senate Bill 154 ("SB 154") – Access to Counsel in Evictions – Task Force and Special Fund, sponsored by Senators Hettleman and Guzzone. SB 154 extends funding for the groundbreaking Access to Counsel in Evictions program in Maryland through FY 2028 and transfers the Access to Counsel in Evictions Task Force to the Department of Housing and Community Development ("DHCD") effective June 1, 2025.

Background

In 2021, the Maryland General Assembly passed House Bill 18, establishing the Access to Counsel in Evictions Law ("ACE Law"), which made the Maryland General Assembly the second state legislature in the country to provide statewide access to counsel in eviction proceedings for income-eligible tenants.

This nation-leading law was designed to correct the historical disadvantage that, particularly low-income, tenants face in eviction proceedings. In the years prior to the law's passage, the majority of tenants lacked legal counsel and representation, while the majority of landlords had such counsel and representation. This imbalance served no one well; our justice system works best when both parties have access to counsel.

The ACE Law not only sought to make eviction proceedings more fair and efficient, but also more equitable, as data has long shown that the burden of evictions in America are disproportionately borne by Black women and single mothers. Additionally, research from Princeton University's Eviction Lab shows that "every year, 2.9 million children under age 18 are threatened with eviction and 1.5 million are evicted. These children represent four in every ten people who are threatened with eviction annually." The downstream impacts of eviction are widespread and include employment instability, worsening physical and mental health, increased suicide rates, increased homelessness, and, for children, severely disrupted education.

The groundbreaking ACE Law and the Access to Counsel in Evictions Program ("ACE Program") it established sought to prevent such outcomes in Maryland keep more Marylanders in their homes.

The ACE Law also created the Access to Counsel in Evictions Task Force ("Task Force"), which is staffed by the Maryland Office of the Attorney General and was established to:

- study potential funding sources;
- make recommendations to improve the implementation of the access to counsel program, including necessary policy and statutory changes; and
- evaluate the provision of services provided as a result of the program.

To date, the Task Force has produced four reports, with its most recent report being submitted to the Governor and General Assembly on January 1, 2025.

The ACE Law also established the Access to Counsel in Evictions Special Fund, which is designed to fund the ACE Program and is administered by the Maryland Legal Services Corporation ("MLSC"). Thus far, the General Assembly has provided base-level funding through FY 2027. Specifically, the General Assembly and Governor allocated approximately \$11.8 million for FY 2023 and the General Assembly allocated \$14 million per year from the State's Abandoned Property Fund for FY 2024 through FY 2027. Currently, the ACE Fund is supplied with funds from multiple sources, consisting primarily of the monies outlined above, additional funds that MLSC has obtained from other State and federal grants, and funds from the Maryland Office of the Attorney General's Consumer Protection Division.

At this time, there is no funding committed by the State after FY 2027.

https://collaborate.princeton.edu/en/publications/racial-and-gender-disparities-among-evicted-americans

¹ See: https://evictionlab.org/who-is-evicted-in-america/ and https://evictionlab.org/who-is-evicted-in-america/ and https://evictionlab.org/who-is-evicted-in-america/ and https://evictionlab.org/who-is-evicted-in-america/ and https://evicted-in-america/ and <a

² See: https://evictionlab.org/who-is-evicted-in-america/

¹

³ See: https://www.nealth-Implications-of-Housing-Instability-Eviction-and-Homelessness.pdf and https://www.healthaffairs.org/content/briefs/eviction-and-health-vicious-cycle-exacerbated-pandemic

Outcomes to Date

As shared in the Task Force's 2025 Report,⁴ in 2024 the ACE Program was expanded to every jurisdiction in the State as part of the phased-implementation plan created and overseen by MLSC. MLSC reported to the Task Force in the fall of 2024 that they have built the ACE Program with an eye towards its long-term sustainability.

ACE attorneys closed 9,169 cases in FY 2024. When taken in totality, and including the members of each individual household, over 21,000 Marylanders benefitted from the ACE Program – including 9,100 children. And, according to Stout, Risius, and Ross – the entity tasked with evaluating the ACE Program, the ACE Program has provided over \$46 million in fiscal impacts and economic benefits in FY 2024 alone, which amounts to a \$3 return for every \$1 invested by the State.

Furthermore, according to Stout's analysis, approximately 87% of clients indicated that they wanted to stay in their home, and, of this group, approximately 88% of them were able to do so at the closure of their case, which is a remarkable success rate for the ACE Program.

These figures represent a tremendous success for the ACE Program, the State, and Maryland residents. However, to continue building on these successes and ensure its longevity, the ACE Program needs ongoing funding.

Support for Funding Extension

For the foregoing reasons, the Office of the Attorney General strongly supports extending the \$14,000,000 contribution from the State's Abandoned Property Fund to the Access to Counsel in Evictions Special Fund for administration of the ACE Program by MLSC through FY 2028 as outlined in SB 154.

Securing these funds not only ensures the ongoing success of the ACE Program but continues to fulfill a key objective of the Task Force as outlined in the ACE Law.

Support for Transferring the Task Force to DHCD after June 1, 2026

Furthermore, with (1) funds extended through FY2028, (2) the ACE Program on solid footing with a track record of success and (3) a strong network of diverse, engaged, and supportive ACE Program stakeholders, the Office of the Attorney General also strongly supports transferring the Task Force to DHCD effective June 1, 2025 – who will submit a final report to the Governor and General Assembly on January 1, 2026 – as outlined in SB 154.

With the passage of the Renters Rights and Stabilization Act of 2024 and the creation of the Office of Landlord and Tenant Affairs within DHCD, we feel that DHCD is uniquely positioned to serve as a convenor for the ACE Task Force moving forward. Their expertise and alignment

⁴ See: https://www.marylandattorneygeneral.gov/A2C_Docs/2025_ACE_TF_Report.pdf

with the ACE Task Force's mission and scope strengthens their ability to serve as a trusted convenor for ACE Program stakeholders to continue their work to assess and strengthen the ACE Program on behalf of all Marylanders.

For these reasons, the Office of the Attorney General urges the Appropriations Committee to issue a favorable report on SB 154.

cc: Committee Members