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The Honorable Anne R. Kaiser
Chair, House Ways and Means Committee
House Office Building, Room 131
6 Bladen Street
Annapolis, Maryland 21401

Re: Opposition to House Bill 1628 - Sales and Use Tax - Rate Reduction and Services

Dear Chair and members of the House Ways and Means Committee:

On behalf of Civil Justice, Inc., thank you for the opportunity to submit written testimony regarding the above-referenced bill. By driving up the cost of legal assistance, HB 1628 will exacerbate Maryland's access to justice crisis. Therefore, Civil Justice urges this committee to give HB 1628 an unfavorable report.

Civil Justice's mission is to increase access to justice through a statewide network of attorneys committed to serving Marylanders with limited financial resources. CJ's attorney network provides representation in a wide range of matters that erode the stability of Maryland families, including housing, debt collection, and family law. The traditional CJ client is part of the broad swath of Marylanders subject to the legal services equivalent of the "benefits cliff." In essence, they can neither afford fee-based representation nor do they qualify for free legal help.¹ In 2019, Civil Justice received more than 5,100 requests for assistance from Marylanders who were either financially ineligible for free legal aid or could not be assisted by services organizations due to insufficient resources.

Maryland's legal services safety net is woefully inadequate, and HB 1628 would worsen this problem. While some free legal services are available, they are limited and only available to those in the lowest income ranges. For example, the Maryland Legal Services Corporation (MLSC) provides funding to provide civil legal assistance to low-income Marylanders. In FY'20, a Maryland family of 4 can earn no more than \$57,726 to qualify for free legal services

¹ Benefits cliffs" is a term that describes what happens when public benefits programs phase down or out quickly, leading to an abrupt reduction or loss of benefits for families as household earnings increase, but have not increased enough for self-sufficiency to be reached. <http://www.seattlejobsinitiative.com/wp-content/uploads/SJI-BenefitsCliffs-Report-MAR2015.pdf>, pg. 2

through an MLSC-funded program.² For those who do qualify for free legal help, support beyond advice and referrals is extremely limited. In 2019, MLSC-funded grantees were only able to provide advice, information, and referrals to 75% of the more than 200,000 Marylanders who sought free legal assistance.³ Without the ability pay an attorney, Marylanders must navigate matters such as child custody, divorce, and eviction alone.

The impact of Maryland's inadequate legal services safety net is reflected in Maryland's courthouses. In FY'19, 80% of Maryland family law cases had at least one unrepresented party at trial.⁴ In response to the overwhelming number of unrepresented litigants, the Maryland Judiciary has developed a network of centers to provide brief advice and referrals via phone, live chat, videoconferencing, and in-person services. The phone and live chat services alone assisted more than 75,000 visitors in FY'19. Of those helped, 78% had an income below the Maryland median income.⁵ In fact, of those served by the remote services center, 63% had an income of less than \$50,000.⁶

Unfortunately, life-altering legal problems are not limited to those who can afford adequate representation. By offering access to affordable legal services, Civil Justice provides a bridge between free legal services and the traditional fee-based services. That said, access to free or affordable representation is severely limited. While Civil Justice is working to increase our capacity to provide affordable services, HB 1628 would stymie our efforts driving up the cost of legal help and worsen the access to justice crisis.

On behalf of Civil Justice, I urge the committee to give HB 1628 an unfavorable report. Should you have any questions, please do not hesitate to contact me.

Sincerely,



Sarah Coffey Frush, Esq.
Executive Director

² <https://www.mlsc.org/wp-content/uploads/2019/08/2020-MLSC-Income-Guidelines-Final.pdf>

³ <https://www.mlsc.org/wp-content/uploads/2020/01/MLSC-FY19-Annual-Report.pdf>, p. 4.

⁴ <https://mdcourts.gov/sites/default/files/import/accesstojustice/pdfs/fy19srlreport.pdf>, p 13.

⁵ Id. page 8

⁶ Id.