



**Testimony Concerning SB 413/HB 514
Maryland Legal Services Corporation Funding –
Abandoned Property**

- **Submitted to the House Appropriations Committee**

Hearing Date: February 10, 2021

Position: Favorable

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Community Legal Services of Prince George's County, Inc., (CLS) requests a favorable report on SB 413/HB 514, enactment which would provide a stable funding source to Maryland Legal Services Corporation's through the distribution of Abandoned Property Annual Revenue.

CLS's mission is to educate, represent and empower low-income members of the Prince George's County Community Regarding Civil Legal Matters. CLS receives most of its funding from Maryland Legal Services Corporation (MLSC), whose mission is 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. With funding from MLSC, CLS was able to assist clients in over 9,585 cases and clinics in FY 2020 with a variety of civil legal matters.

CLS has worked with some of the most vulnerable individuals in the State of Maryland throughout the coronavirus pandemic. Many of our clients have lost income due to the pandemic, have gotten sick, and lost loved ones. Through our Landlord Tenant Assistance Project, we have provided direct representation and legal advice to individuals facing eviction for not having the funds to pay their rent. Our attorneys have successfully helped clients defend against Failure to Pay Rent, Tenant Holding Over, and Breach of Lease cases. Once the current moratoria on evictions end and once the courts can hear more cases, the need for our services with rent cases will expand immensely.

Similarly, to renters, homeowners are suffering throughout the pandemic. Many clients are facing the very real risk of foreclosure, which is only being held in abeyance by the current moratoria. Our attorneys provide assistance in not only foreclosure actions, but also bankruptcy, and other consumer debt matters. Given the economic downturn caused by the coronavirus, the need for these services will increase drastically once the moratoria are lifted and the courts are able to hear more cases.

Our various other programs assist low-income clients in domestic violence, family law, employment, and other civil legal matters. We can provide legal advice clinics to individuals on a host of legal matters where clients can speak to an attorney for free about their case,

gaining guidance and assistance with filling out forms. We also provide direct representation in several cases, increasing our clients' ability to have access to justice. Without MLSC's funding, the most vulnerable in our community would be even more at a risk of experiencing injustice, at a time when their need for legal advice is only growing.

Throughout Maryland, MLSC's funding provides direct and tangible impact on the lives of low-income residents through providing funding to 36 nonprofit civil legal aid organizations across the state. MLSC's two major funding sources of the Interest on Lawyer Trust Accounts (IOLTA) program and surcharges on certain court filing fees have been hit hard by the pandemic. IOLTA interest rates are likely to remain at near zero for several more years and will be unlikely to provide MLSC as a significant source of funding for the foreseeable future. These decreases are projected to result revenues \$6 million less than the pre-pandemic levels.

Due to the decline in MLSC's funding sources, many of the legal services that low-income Marylanders rely on are at risk of losing funding, at a time when the need is growing each day. The funding from the Abandoned Property Fund will provide a stable source of income for MLSC and the legal services providers. This funding will enable legal services providers to focus on our programs during these challenging times to provide quality services to those most in need.

CLS urges favorable consideration of SB 413/HB 514.