

To: Members of the Senate Budget & Taxation Committee

From: Richard A. Montgomery III
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Date: February 2, 2021

Subject: **Senate Bill 413 - Maryland Legal Services Corporation – Abandoned Property**

Position: **Support**

The **Maryland State Bar Association (MSBA) SUPPORTS Senate Bill 413 - Maryland Legal Services Corporation – Abandoned Property.** Since its creation by the General Assembly in 1982, the Maryland Legal Services Corporation (MLSC) has been funded largely by a patchwork of funding sources, including Interest on Lawyers Trust Accounts (IOLTA), certain filing fee surcharges in the District court and the circuit courts, and an annual disbursement from the State of Maryland Abandoned Property Fund.

The MLSC aids Marylanders from every corner of the State by distributing funds through its grantees throughout Maryland. Those grantees operate the service programs that offer civil legal aid to qualified low-income Marylanders. Yet those grantees, like the MLSC itself, have been forced to endure greater funding uncertainty based upon the unpredictability of the IOLTA and filing fee surcharge components of MLSC funding. While the Abandoned Property Fund appropriation has been stable, it is far outpaced by the legal services needs across Maryland.

The **MLSC is the largest provider of civil legal aid in Maryland.** It currently provides funding to 36 nonprofit grantees throughout Maryland to ensure that eligible clients in all areas of the State have access to legal assistance. Nevertheless, **80% of Marylanders who need help with a civil legal problem do not receive they legal help they need in times of crisis.** That unfortunate fact contributes to the destabilization of at-risk Maryland families, and communities.

The MSBA strongly believes that civil legal aid is a prudent investment in families and communities – all across Maryland. The MLSC reports that



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funding of civil legal services to low-income Marylanders provides a \$6 return on every dollar invested.

The MSBA believes that programs such as those funded by MLSC ensure access to justice for all Marylanders. Even prior to the COVID-19 pandemic, the demand for civil legal services in Maryland was far outpacing available funding to provide such services. The current public health emergency has decimated MLSC funding streams. The MSBA believes that the current MLSC fiscal condition represents an ominous danger to Maryland's overall well-being.

Increasingly, we find that while the appropriation to the MLSC from the Abandoned Property Fund is the only predictable funding component upon which the MLSC can rely, that appropriation remains grossly insufficient to meet the demand for civil legal services for indigent Marylanders across the State. Accordingly, the **MSBA SUPPORTS Senate Bill 413, and urges a Favorable Committee Report.**