



## TESTIMONY IN SUPPORT OF SB 232

Civil Cases – Maryland Legal Services Corporation Fund – Increase Surcharges

*Senate Judicial Proceedings Committee*

January 26, 2021

*Submitted by Stacey Jefferson and Julia Gross, Co-Chairs*

### Member Agencies:

Advocates for Children and Youth  
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Behavioral Health System Baltimore  
CASH Campaign of Maryland  
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Maryland Community Action  
Partnership  
Maryland Family Network  
Maryland Hunger Solutions  
Paul's Place  
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### Marylanders Against Poverty

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**Marylanders Against Poverty (MAP) strongly supports SB 232**, which increases surcharges for certain civil cases in the circuit courts and in the District Court. Money from the surcharges would continue to be deposited in the Maryland Legal Services Corporation (MLSC) Fund which supports civil legal services to clients with low-incomes.

**MLSC grantees provide essential civil legal services to low-income Marylanders.** MLSC currently funds 36 nonprofit civil legal organizations across the state who assist clients with access to benefits, eviction assistance, foreclosure, bankruptcy, child custody, immigration, civil rights, and more. It is the clients who would be most at-risk in court that benefit from the services supplied by MLSC grantees, and unfortunately the need is far greater than the resources to assist. In FY 2019 alone, MLSC grants resulted in more than 283,352 individuals receiving needed legal assistance. MLSC funds are a critical part of maintaining Maryland's civil legal services safety-net for those struggling to make ends meet.

**Without increasing surcharges, the legal needs of Maryland's most vulnerable will not be met.** MLSC's two major funding sources – the Interest on Lawyer Trust Accounts (IOLTA) program and these court filing fee surcharges – were significantly reduced by the COVID-19 pandemic due to near zero interest rates and a dramatic decrease in the number of court filings. Due to this, MLSC currently projects fiscal year 2022 revenue to come in at least \$6 million lower than pre-pandemic levels. At the same time, demand for civil legal services has skyrocketed during the pandemic. Without additional revenue, MLSC would have to provide fewer grants – or smaller grants – to the nonprofits they support, which reduces the number of low-income individuals and families who can access needed legal assistance. Even with the modest fee increases proposed in SB 232, Maryland's filing fees would both remain at or below national averages.

**It is imperative to create and maintain sustained MLSC funding.** Without changes, the loss of revenue for MLSC would be a devastating blow to the ability of low-income constituents to seek legal advice and assistance when their basic needs are at stake. MLSC funding helps Marylanders living in or near poverty navigate the vagaries of the legal system with efficient and effective legal assistance, ultimately creating more justice in our legal systems.

**For these reasons, MAP strongly urges a FAVORABLE report on SB 232 and appreciates your consideration.**

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*Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.*