

To: Members of the Senate Judicial Proceedings Committee

From: Richard A. Montgomery III, Director of Legislative Relations
Maryland State Bar Association

Date: March 30, 2021

Subject: **House Bill 31 - Courts - Surcharges and Payment to Special Funds - Prohibited Lease Provisions**

Position: **Support with Amendments**

The **Maryland State Bar Association (MSBA) Supports House Bill 31 - Courts - Surcharges and Payment to Special Funds - Prohibited Lease Provisions, with one (1) amendment.** 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, 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. 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 funding of civil legal services to low-income Marylanders provides a \$6 return on every dollar invested. Further, 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 all MLSC funding streams. The MSBA believes that

the current MLSC fiscal condition represents an ominous danger to Maryland's overall well-being.

While the MSBA is genuinely mindful of fees related to access to Maryland's courts, we would point out that, in the aggregate, court filing fees in Maryland are significantly lower than those of most states in the nation. for that reason, that we regard the surcharge increases proposed in HB31 as a wise investment in helping Maryland families navigate the uncertain economic conditions ahead.

As to the House amendments to HB 31 pertaining to filing fee surcharge proceeds being directed to the Right to Counsel in Evictions Special Fund, the MSBA is supportive of that amendment. The MSBA has been supportive of the Right to Counsel in Evictions provisions that this Committee has seen previously in SB 154, which was introduced by Senator Hettleman (SB 154 has a cross-file, which is HB 18, which was passed by the House of Delegates on March 19, 2021).

Amendment

The one amendment that the MSBA would urge the Committee to adopt would be to strike the provisions which would statutorily prohibit a court or the landlord from passing along a surcharge on to a tenant. (the provision, as amended by the House appears on page 4, lines 1 through 4 of the bill). While we believe that in certain cases a court would reject passing along the surcharge to a tenant, **we do not believe that a court should be prohibited, by statute**, from assessing a surcharge to the tenant. The MSBA stance on this concept would apply to any other bill considered by the General Assembly.

In summation, **the MSBA SUPPORTS House Bill 31, with an amendment, and urges a Favorable with Amendments Committee Report.** Should you have any questions, or need additional information, I may be reached at richard@msba.org, or (410) 269-6464.