



**SB 452- Small Claims- Examination in Aid of Enforcement-Prohibition on Arrest or Incarceration for Failure to Appear
February 22, 2022
SUPPORT**

Chair Smith, Vice-Chair and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 452. This bill will prohibit an individual from being arrested or incarcerated for failure to respond to certain orders to appear in court relating to an examination in aid of enforcement of a money judgment entered in a small claim action in the District Court.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

This bill aims to protect consumers in Maryland from predatory debt collectors who are using the power of our state's courts and jails to strong-arm consumers, specifically our most vulnerable populations of consumers. Many people have been arrested for failing to pay the debt and failing to appear in court. The Constitution of Maryland says no person shall be imprisoned for debt¹. However, in 2012, 39 Marylanders were arrested and incarcerated for failing to pay judgements issued against them in small claims court². Additionally, in 2014 there were 77 Marylanders arrested and incarcerated for failing to pay judgements issued against them in small claims court. This means that Debtors Prisons are being used to punish low-income communities across Maryland.

Most of the time, people who owe money to creditors simply lack the funds to pay. Since they lack the funds to pay their debt, they most likely also lack the funds to post bail. This means that low-income people are sitting in jail due to having a low income. People are going through hard times, especially during this pandemic. Many people are living on a fixed income, sick, and/or jobless. **Imprisoning people due to debt will decrease their ability to be accountable for their debt.** Imprisonment leads to job lost, homelessness, and has a severe effect on financial security. These factors will make paying back debt significantly more difficult.

COVID-19 has changed the financial capability of many people in Maryland. The threat or action of jailing low-income people during this time further decreases their financial capability and adds another layer of stress to their situation. SB 452 will help low-income people in Maryland preserve their ability to focus on their debt.

For these reasons, we encourage you to return a favorable report on SB 452.

¹ <https://msa.maryland.gov/msa/mdmanual/43const/html/03art3.html>

² <https://www.baltimoresun.com/business/bs-xpm-2013-03-25-bs-bz-debt-jail-20130325-story.html>