

Ending Cheap Eviction Lawsuits Will Increase Housing Stability, Fund Legal Aid Services

Position Statement Supporting Senate Bill 223

Given before the Judicial Proceedings Committee

All Marylanders deserve the chance to have safe, affordable housing, and Maryland's extremely low filing fees for eviction cases present a barrier to achieving that goal. Senate Bill 223 would increase the filing fee surcharge on eviction actions from \$8 to \$73 and prohibit the court and the landlord from passing on this increase to the tenant. Raising the fee will reduce high-volume eviction dockets, end cheap repeat lawsuits, and help fund legal services to ensure that people facing eviction proceedings have access to a lawyer. **The Maryland Center on Economic Policy supports Senate Bill 223, because more evictions following COVID-19 will jeopardizing the state's economy and halt pandemic recovery. However, we would oppose SB 223 if the bill is amended to allow the increased surcharge to be passed through to the tenants under any circumstances.**

Maryland families were already facing housing instability long before the pandemic. In Maryland, an average of 660,000 evictions are filed annually. In Baltimore City, there are more eviction cases filed yearly than there are available rental units, which suggests repeated eviction filings by landlords. Maryland is currently the third cheapest state to file for an eviction with a cost of \$8. Raising the fee to \$73 will bring Maryland closer in line with the current national average for the cost to file for an eviction.

The spread of COVID-19 has resulted in substantial loss of income for many Marylanders, leaving them unable to afford their rent. Preserving housing stability is the most effective method for preventing the spread of the virus and setting up families and communities for a strong economic recovery. This notion was the driving force for the CDC taking unprecedented action by issuing the national moratorium on evictions last year. In light of the CDC actions, many Marylanders believed they were protected from being taken to court for eviction and that their landlords would have to apply for rental assistance before they could resort to lawsuits. However, this is not the case due to the many loopholes in current renter protections.

In response to the economic crisis, Governor Hogan did take some actions early on to protect Marylanders from evictions caused by the pandemic.¹ However, those protections expired in July of last year and eviction filings have since resumed. In Maryland:

- 115,000 eviction cases were filed from July to November of last year
- 36% of Black households are not current on their rent compared to 14% of white households
- Over 2,500 Marylanders were evicted amid the surging public health crises from July to November of last year

year

- 30% of households earning less than \$50,000 are behind in their rent compared to just 10% of those earning \$75,000 or more.

Increasing the cost to landlords for entering eviction proceedings will create a greater incentive for landlords to work with tenants on repayment of unpaid rent. The data support the need for this legislation with so many Marylanders currently being behind in their rent.

The COVID-19 crisis has spotlighted the reality that Maryland's current eviction process is by design a race to displace Marylanders. Thanks to a recent report, we know that 99% of renters face eviction without the assistance of a lawyer.ⁱⁱ When a family receives an eviction judgement, it is a loss of a home, their possessions, school, community, employment, mental and physical health and the ability to secure a new place to live. Maryland can build back better if we prioritize stability over displacement. **For these reasons, the Maryland Center on Economic Policy respectfully requests the Judicial Proceedings Committee to make a favorable report on Senate Bill 223.**

Equity Impact Analysis: Senate Bill 223

Bill Summary

Senate Bill 223 establishes an eviction surcharge that effectively raises Maryland courts' rock-bottom \$15 court fee for evictions to the national average of \$120.

Background

Maryland families were already facing housing instability long before the pandemic. In Maryland, an average of 660,000 evictions are filed annually. In Baltimore City, there are more eviction cases filed yearly than there are available rental units, which suggests repeated eviction filings by landlords. Maryland is currently the third cheapest state to file for an eviction with a low cost of \$15. Raising the fee to \$120 will bring Maryland in line with the current national average for the cost to file for an eviction. Moreover, it will also reduce high volume eviction dockets, end cheap repeat lawsuits and establish an eviction surcharge fee that will fund legal services for people facing eviction proceedings. Most importantly, it ensures that any such increase in eviction filing fees are not passed on to the tenant.

Equity Implications

A recent study found that the number of evictions of Black women is 3.9 times (296% more) than the number of evictions of white men.ⁱⁱⁱ

The surcharge will not only bring Maryland in line with the national average, but it will incentivize landlords to work with tenants on repayment of unpaid rent. It will also lower Maryland's eviction court dockets, which will reduce rental debt and negative effects on credit and tenant screening.

Impact

Senate Bill 223 will likely **improve racial, gender, and economic equity** in Maryland.

ⁱ The State of Maryland Emergency Declaration <https://governor.maryland.gov/wp-content/uploads/2020/03/Executive-Order-Temp-Evictions-Prohibiting.pdf>

ii Public Justice Center (2019) The Economic Impact of a Right to Council in Baltimore City. <https://bmorerentersunited.org/rtc/stoutreport/>

iii Thomas, T. (PhD) Baltimore Evictions Study. <https://evictions.study/maryland/report/baltimore.html>