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### **HB693**

# Courts - Surcharges & Payment to Special Funds House Judiciary Committee FAVORABLE with AMENDMENTS

The Maryland Access to Justice Commission (A2JC) is an independent entity supported by the Maryland State Bar Association (MSBA) that unites leaders to drive reforms and innovations to make the civil justice system accessible, fair and equitable for all Marylanders. Prominent leaders from different segments of the legal community in Maryland – including the deans of the two law schools, the attorney general, law firm partners, heads of the legal services providers and funders, corporate counsel, academics, legislators, the state bar and judiciary comprise the A2JC.

### **FAVORABLE TO HB693 only with one Key Amendment**

We support HB 693 as long as it includes one key amendment: The Court and the landlord must be prohibited from passing onto tenants the increased filing fee for failure-to-pay-rent (summary ejectment) actions. Unless amended, after a default judgment, renters desperately seeking to avoid eviction would be required to pay this \$60 increase to "pay and stay" and avoid eviction and homelessness. Some will not be able to do so. If HB 693 does not include this amendment, we must oppose the bill.

Even an amendment that would allow landlords to pass through the fee to tenants only after the 3rd failure-to-pay-rent filing in a year would still fall disproportionately on the renters who are least able to pay the increased fee because they are often on the brink of eviction.

## HB693 has the Potential to Reduce Eviction Filings and Fund Access to Counsel in Evictions Program.

The General Assembly took an important step to address the eviction crisis in 2021 by passing HB18, which provides tenants with access to counsel in eviction cases when the law is funded and which requires landlords to send tenants a 10-day notice prior to filing an eviction action.

A2JC led and was heavily involved in the work of the Access to Counsel Task Force, which was legislatively mandated by HB18. The Task Force studied and made recommendations on how to implement the Access to Counsel in Evictions Program. One of the key challenges the Task Force identified to implement the Program is the exceedingly high number of case filings in Maryland. In addition to putting tenants to a continuous churn of insecurity and stress that traps tenants in a cycle of debt, the

number of case filings also increases the cost to implement HB18, which provides counsel to anyone facing an eviction in Maryland.

Additionally, HB18 remains unfunded. In order for access to counsel to have its intended effect of preventing evictions, it needs funding. A2JC has worked with partners and legislators to push for the use of federal ERAP funding to fund HB18 and add funding HB18 to the state budget. We continue to pursue all available options for funding and support HB693 with amendments because it could serve as an additional source of funds.

While we do not support HB693 as drafted, if the bill is amended to allow landlords or the court to NOT pass on the increase to the tenant, the bill will work to reduce the amount of eviction filings and fund the Access to Counsel Program.

There would be a disincentive for the landlord to file an eviction action if the landlord or the court cannot pass that surcharge onto the tenant. We would vocally oppose any surcharge increase in which that surcharge may be passed onto the tenant under any circumstances.

HB693 has the potential to reduce evictions by disincentivizing serial filings. Currently, the barriers to entry for an eviction filing are too low and allow for hundreds of thousands of cases to be filed and churned through the courts unnecessarily. Filing fees in Maryland are one of the lowest in the country and could be increased to both reduce evictions and address the funding gap for the Access to Counsel in Eviction Fund, as long as tenants are not bearing the brunt of that cost.

Based on the information provided above, the Maryland Access to Justice Commission requests the House Judiciary Committee to deliver a FAVORABLE REPORT WITH AMENDMENTS on HB693. Please contact Reena Shah - reena@msba.org - with any questions.