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HB 724 - Access to Counsel in Evictions Special Fund – Funding

Hearing before the Judiciary Committee, Feb. 16, 2022

Position: SUPPORT (FAV)

Passed in 2021, HB 18 mandates that all limited-income tenants in eviction cases "shall have access to legal representation as provided under this subtitle." RP § 8-902. It is time for the General Assembly to fulfill this promise. HB 724 would transfer \$11.8 million from the Abandoned Property Fund to the Access to Counsel in Evictions Fund in FY 2023. Because the Governor recently allocated \$5.4 million for this purpose, we support a sponsor amendment to reduce the amount sought in HB 724 to \$6.4 million. With 62% of Maryland renters feeling "very" or "somewhat" likely to be evicted in the next 2 months, we cannot wait. Maryland residents facing eviction right now are disproportionately people of color, and the majority have children in their households.



92% of eviction cases in which the renter had legal representation resulted in prevention of disruptive displacement, in a 2020 study by Stout Risius Ross.

\$62M of state costs could be avoided through Access to Counsel in eviction cases, by preventing emergency room, shelter, and foster care costs.

An allocation of \$11.8 million in FY 23 would help 9,762 Maryland families avoid disruptive displacement in eviction actions. The Access to Counsel in Evictions Task Force issued a report laying out a framework for equitable, effective implementation. The Task Force called on the State to allocate \$11.8 million in FY 23, moving to full

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implementation by 2025. The General Assembly's Spending Affordability Committee recommended \$14 million for FY 23 for implementation. Relying on court data and analysis from Stout Risius Ross, the MD Legal Services Corp. (MLSC) estimates that there are 29,683 limited-income residents who have an unmet need for legal representation in eviction cases. MLSC estimates that with an additional allocation of \$11.8 million for FY 23, the State can meet approximately 1/3 of that need.

The \$5.4 million proposed by Governor Hogan for counsel in eviction cases is insufficient because local jurisdictions are slated to lose about \$4.4M in one-time, federal funding for eviction representation that is running out. The State and local jurisdictions have used mostly federal money to expand access to counsel in FY 21 & 22.

In the last six months of 2021, just four legal services providers represented 1,284 MD residents facing eviction and prevented the disruptive displacement of residents in 88% of those cases. These organizations provided advice to another 2,626 facing eviction-related issues. Lawyers from these orgs assisted tenants in cases involving severe conditions of disrepair, retaliation, lack of landlord licensing/lead paint compliance, illegal/excessive fees or non-rent charges, rent payments already made, end-runs around rental assistance obligations, and others. A significant part of the funding for these cases will be spent in FY 22 and tenants will lose current levels of representation if implementation of Access to Counsel in Evictions is not fully funded. Further, implementing Access to Counsel also means increased tenant outreach and education so that residents can know their rights and access resources such as rental assistance.

Legal services providers report being unable to meet current demand. Legal services providers such as Community Legal Services of Prince George's County and Public Justice Center report that in the last 6 months, they have only been able to provide representation to appx. 1/3 of renter clients due to lack of capacity. Similarly, for same-day in-court services, Pro Bono Resource Center of Md. estimates that – due to limited capacity - it has reached less than 1/3 of renters who are in need of legal representation in Baltimore County.

Representation balances the scales and saves the state money. Over 90% of landlords are represented by an attorney or specialized agent while over 90% of tenants are not. [Counsel is 92% effective in preventing disruptive displacement in evictions according to a study of one jurisdiction in Maryland.](#) By fully implementing Access to Counsel, the State can help level the scales and save an estimated \$62M from reduced emergency room, shelter, and foster care costs. It is much less expensive to keep people housed than provide services when they are homeless.

The General Assembly must act to fully fund Access to Counsel in Evictions to prevent the law from becoming an empty promise.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Committee **issue a report of FAVORABLE on HB 724 with any sponsor amendment.** If you have any questions, please contact: Matt Hill, hillm@publicjustice.org, 410-625-9409, ext. 229.