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HB 571 Access to Counsel in Evictions Special Fund – Alteration

Hearing before the House Judiciary Committee,

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Position: FAVORABLE

The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to expand their rights to safe, habitable, affordable, and non-discriminatory housing.

We support HB571 as part of a larger plan to fully fund implementation of the Access to Counsel in Evictions legislation. HB571 would require that any monetary recovery from certain Consumer Protection Act litigation brought by the Attorney General be deposited into the Access to Counsel in Evictions Special Fund. HB 571 is not sufficient by itself to provide a consistent source of funding for implementation of the Access to Counsel in Evictions legislation, but it would be an important part of a comprehensive plan.

Passed in 2021, the Access to Counsel in Evictions legislation mandates that all limited-income tenants in eviction cases “*shall have access to legal representation* as provided under this subtitle.” RP § 8-902.

Governor Hogan and the General Assembly should allocate \$11.8M to fund Access to Counsel implementation in FY 23. With [105,000 Maryland households behind on rent and facing eviction in the wake of COVID-19 – 74% of whom are persons of color; 51% are families with children](#) – we cannot wait.

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, with full implementation

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.

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by 2025. The General Assembly's Spending Affordability Committee recommended [\\$14M 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 Maryland residents are slated to lose approximately \$4.4 million in one-time, mostly 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. This funding will mostly be spent in FY 22 and tenants will actually lose current levels of representation if ATC is not fully funded.

Legal services are 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 of 2021, they have only been able to provide representation to appx. 1/3 of renter clients due to limited 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 implementing Access to Counsel, the State can help level the scales and save an estimated \$62 million in reduced emergency room, shelter, and foster care costs. It is much less expensive to keep people housed than provide services when they are homeless.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Committee **issue a FAVORABLE REPORT on HB 571.** If you have any questions, please contact: C. Matthew Hill, hillm@publicjustice.org, 410-625-9409, ext. 229.