



MLSC

MARYLAND LEGAL SERVICES CORPORATION

IOLTA - INTEREST ON LAWYER TRUST ACCOUNTS

Testimony Concerning SB 662
“Access to Counsel in Evictions Special Fund - Funding”
Submitted to the House Judiciary Committee
Hearing Date: March 23, 2022

Position: Favorable

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Maryland Legal Services Corporation requests a favorable report on Senate Bill 662, enactment of which would direct a one-time distribution from the Abandoned Property Fund to the Access to Counsel in Evictions Special Fund in fiscal year 2024.

MLSC is a legislatively created nonprofit organization with a mission to ensure low-income Marylanders have access to stable, efficient and effective civil legal assistance through the distribution of funds to nonprofit legal services organizations. The Maryland General Assembly recognized the importance of civil legal services in rent court by passing the Access to Counsel in Evictions Program during the 2021 session. When funded, the Program will provide legal representation as well as related tenant outreach and education, ensuring low-income tenants facing loss of housing know their rights and have an advocate to guide them through the court process. As the administrator of the Access to Counsel in Evictions Program, MLSC looks forward to building on our previous eviction prevention grants to ensure the Program proceeds effectively and efficiently.

Legal aid attorneys working with current MLSC grantees have helped clients achieve a range of outcomes in their cases, including avoiding eviction, delaying eviction so the tenant has additional time to move, avoiding a loss of a housing subsidy, enforcing a tenant’s rights under a lease and more. However, the large volume of eviction filings in Maryland paired with a lack of dedicated resources means that providers have never been able to reach more than a few thousand clients with full representation each year. The Access to Counsel in Evictions Program offers a chance to change that paradigm – but only with appropriate funding.

MLSC has estimated approximately 17,700 eviction prevention cases in FY23, paid for with funding provided through federal Emergency Rental Assistance funds and a potential state appropriation, and we hope to ramp up to around 30,000 cases for FY24. Dedicated funding for FY24 will ensure legal services providers are comfortable investing in expanded staffing and other costs, knowing the program will continue beyond its initial year. These case figures include assumptions based on the current reduced number of filings, the number of summary ejectment cases that typically make it to court and the need to phase in the Program over time. As the Program is implemented, we will be closely monitoring the data that underlies those assumptions so we can adjust if necessary.

Maryland has a long history of funding civil legal aid via the Abandoned Property Fund. However, it is important to note that the one-time distribution proposed in Senate Bill 662 is distinct from MLSC’s ongoing distribution, which funds critical legal services for a wide range of issues, including family law,

consumer debt, benefits, protection from abuse and more. MLSC must continue its core work while also implementing the legislatively created eviction prevention program.

A distribution from the Abandoned Property Fund will provide much needed stability for the Program with dedicated funding. MLSC asks for favorable consideration of Senate Bill 662.