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March 1, 2023

To: The Honorable Guy Guzzone

Chair, Budget and Taxation Committee

The Honorable Jim Rosapepe

Vice Chair, Budget and Taxation Committee

From: Hannibal G. Williams II Kemerer

Chief Counsel - Legislative Affairs Unit

Re: \_\_\_Senate Bill 756 - Access to Counsel in Evictions - Funding (SUPPORT)

The Office of the Attorney General strongly supports Senate Bill 756, sponsored by Chairman Guzzone, which would ensure permanent funding for the Access to Counsel in Evictions Special Fund. The bill would require that the Comptroller distribute \$14 million annually from abandoned property funds and that the Governor appropriate \$14 million annually to the Maryland Legal Services Corporation to provide funding for counsel for tenants facing eviction.

In 2021, Maryland became the second state in the country to provide access to counsel to all income-qualified individuals facing eviction, which had been a recommendation of former Attorney General Frosh's Access to Justice Task Force. Recognizing the enormous cost of evictions statewide, the General Assembly passed the Access to Counsel in Evictions (ACE) Law, which requires that the Maryland Legal Services Corporation "shall provide" legal representation for "a judicial or administrative proceeding to evict or terminate the tenancy or housing subsidy of a covered individual." The Law further established the ACE Special Fund, which consists primarily of funds received by the Consumer Protection Division from settlements or judgments against parties engaging in unfair, abusive, or deceptive trade practices relating to residential rental

<sup>&</sup>lt;sup>1</sup> Md. Off. of the Attorney Gen., Report of the Access to Counsel in Evictions Task Force 4 (2023).

<sup>&</sup>lt;sup>2</sup> MD. CODE, REAL PROP. § 8-904.

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property.<sup>3</sup> Last session, the General Assembly provided initial funding for the Access to Counsel in Evictions Special Fund for FY 2024 in Chapter 40. Senate Bill 756 would make that funding permanent, thereby assuring that tenants facing eviction continue to have access to counsel to ensure they have the representation they need.

The ACE Law also created the Access to Counsel in Evictions Task Force, which is charged with evaluating the ACE program, making recommendations to improve it, and researching potential funding sources.<sup>4</sup> In its annual report released in January, the Task Force found that the Program's "most urgent and critical need" is "a source of perpetual and permanent funding." Senate Bill 756 responds to that urgent and critical need, and we ask the Committee for a favorable report.

cc: Members of the Budget and Taxation Committee

<sup>&</sup>lt;sup>3</sup> Id. § 8-909(e)(1); see MD. Com. LAW § 13-301 (defining "unfair, abusive, or deceptive trade practices").

<sup>&</sup>lt;sup>4</sup> MD. CODE, REAL PROP. § 8-908(f).

<sup>&</sup>lt;sup>5</sup> Md. Off. of the Attorney Gen., Report of the Access to Counsel in Evictions Task Force 2 (2023).