

Testimony to the House Judiciary Committee HB154: Workgroup to Study the Impact of Court-Mandated Fines and Fees Position: Favorable

January 25, 2023

The Honorable Luke Clippinger, Chair House Judiciary Committee Room 101, House Office Building Annapolis, MD 21401 Cc: Members, House Judiciary Committee

Honorable Chair Clippinger and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are writing today in support of HB154 which establishes a workgroup to study the devastating impact of court-mandated fines and fees for lower-income communities in Maryland.

In 2018, Economic Action Maryland released our report <u>No Exit</u>: How Maryland's Debt Collection Practices Deepen Poverty and Widen the Racial Wealth Gap. The report documents the ways in which numerous fines and fees, particularly local and state-owed fines, lead to a vicious cycle of debt for low-income and working families.

While the report focused on the collection of civil debt, the cycle of debt created by court-ordered fines and fees is the same. For too many Marylanders, the debt burden becomes unmanageable and they fall behind on their payments. Maryland law provides numerous ways for creditors to collect from indebted individuals including body attachments (an arrest warrant for debt) and garnishments. In addition to these tactics, the State also uses fines, fees, and flags on vehicle registration to compel payment of State-owed civic debt. Yet, there are few measures within Maryland that provide methods for repaying a debt in an affordable, sustainable manner that doesn't exacerbate an already fragile financial situation.

Marylanders from low-income communities of color are disproportionately represented in the debt cycle, stuck in the quagmire that is debt repayment. One source of debt that entangles these communities is the debt that originates with criminal justice related fines and fees. These "fees for service" include court-related fees (administrative, jury, and restitution), home detention, parole and

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probation, public defender representation (application and reimbursement), jail room and board (especially for pretrial), mandatory drug and alcohol testing, vehicle interlock devices, criminal record expungement, as well as interest and late fees from the Central Collections Unit (CCU). The goal of fees is often to recoup costs and generate revenue.

While these fines and fees continue to generate debt for those who can least afford it, there is currently no collection of data that explicitly spells out how much Marylanders owe in criminal justice debt. HB154 creates a workgroup to study the impact of court-mandated fines and fees for lower-income communities in Maryland and generate legislative recommendations for eliminating or reducing such fines and fees. This study is needed to better understand the impact that these fees are having on financially distressed communities, especially communities of color.

For these reasons, we support HB154 and urge a favorable report.

Best, Isadora Stern Policy Manager