



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

Senate Bill 0481

Renters' Rights and Stabilization Act of 2024

In the Senate Judicial Proceedings and Senate Education, Energy and the Environment
Committees

Hearing on February 29, 2024

Position: FAVORABLE

Thank you for the opportunity to testify in support of the Governor's Renters' Rights and Stabilization Act of 2024. I am Executive Director of Maryland Legal Aid (MLA), the statewide and largest nonprofit provider of civil legal services in our State for low-income and vulnerable Marylanders. Maryland Legal Aid is also a member of the Renters United Maryland (RUM) Coalition. MLA urges your support for SB481 which, in addition to providing enhanced protections from tenants, raises the filing fee for rent actions from the lowest in the nation to the national median, prohibits that increased fee from being passed on to a tenant in that eviction action, and directs that the funds generated by the increased fee be designated to fund urgently needed civil legal services and housing vouchers.

A Higher Filing Fee can help Lower Eviction Filings and Reduce Racial Disparities in Maryland.

Maryland has been an outlier in the nation for its incredibly high rate of eviction filings. No other state has even come close. (See [Princeton Eviction Lab data](#).) The General Assembly noted this problem, as well as the racial disparities in eviction filings, in 2021 when it passed groundbreaking legislation to establish the Access to Counsel in Evictions (ACE) program, a statewide right to counsel for low-income Marylanders facing eviction. It is an anti-poverty strategy and investment that pays long-term benefits by promoting housing stability and reducing the number and impact of evictions.

The bill before you, SB481, has the potential to further reduce the number of eviction filings and address racial disparities in evictions. A 2023 recent study by the Princeton Eviction Lab noted a correlation between low eviction filing fees and high eviction filing rates.

(<https://evictionlab.org/tenants-pay-for-cheap-evictions/>) The study noted that when filing fees are low, landlords tend to use the court to collect rents. Importantly, the authors also noted that "higher filing fees lead to lower eviction rates and that effects are largest in majority-Black neighborhoods." (ID.) This legislation takes a significant step to bring Maryland in line with the

national median for filing fees and can help reduce Maryland's extremely high filings as well as reduce the racial disparities associated with eviction.

Any Increase in the Filing Fee Should Not be Paid for by Tenants Facing Eviction.

The Governor's bill, with its aim of promoting housing stability, prohibits the pass through of this filing fee increase to tenants. This prohibition is critical. Without it, it could thwart the purpose of the bill by potentially increasing evictions. For low-income tenants to avoid an eviction, they must be able to pay the judgment and any required court costs to stay in their homes. Passing on the increased fee would make it much harder to pay and stay and avoid an eviction once ordered, leading to greater housing instability.

Additionally, the Governor proposes that the filing fee increase should help promote affordability for tenants by dedicating half of the increased fee to the housing voucher program. We applaud this initiative given the urgent need for affordable housing. Allowing the cost of the increased filing fee to be paid by the tenant trying to avoid eviction, however, undermines the underlying purpose of the Governor's bill.

Funds Generated by the Increased Filing Fee will help Fund Civil Legal Services, an Effective Anti-Poverty Tool that helps Achieve Social Equity and Saves Us All Money.

The revenue produced by the increased filing fee will provide ongoing funding to the Maryland Legal Services Corporation (MLSC) to ensure not only the continuation of the ground-breaking Access to Counsel in Evictions (ACE) Program but also meet the general civil legal needs of low-income and vulnerable Marylanders.

Helping our clients facing eviction is and has been at the core of our work throughout Maryland Legal Aid's more than 100-year existence. Providing counsel in evictions leads to better outcomes and a fairer, more efficient court process. Further, these matters can hold very high stakes for the tenants MLA represents who often live in public or subsidized housing. When a person's subsidy is terminated, it often means tenant has few options and is at high risk of homelessness. Ensuring that the ACE program has the funding it needs will also ensure that the program provides the long-term dividends for Marylanders that the legislature envisioned when it passed this ground-breaking law.

However, when a family faces eviction, there are generally other legal problems for which they also need our help. The legal issues our clients encounter are complex and intertwined. We see eviction clients who may also be struggling with a domestic violence or custody situation. Many clients facing eviction have not been able to access benefits to which they are entitled, like social

security, SNAP, or unemployment benefits. We seek to handle our clients' legal needs holistically so they can stabilize and ultimately thrive. Providing critical funding to MLSC ensures our clients can access legal help for all their legal needs.

We know that providing legal services to people and families living in poverty and disinvested communities is an effective anti-poverty strategy that will achieve greater social equity in our state and provide a return on investment. When families can resolve their legal issues, they are able to hold down jobs, focus on their family and participate in their communities. Maryland Legal Aid recently commissioned Community Services Analysis, LLC to do a study examining the social economic impact and return on investment (ROI) on the legal services it provided. (*Maryland Legal Aid Social Economic Impact and Return on Investment Report, 2023.*) The report reaffirmed earlier ROI studies that show for every \$1 invested in civil legal aid, there is a \$6 return in social economic benefit.

Ensuring there are Lawyers Available to Meet Our Clients' Urgent Needs: The Ongoing Staffing Challenge

The Governor's bill will also help ensure that there are legal advocates available and ready to provide critical legal help when and where it is needed. The challenge is that MLSC grantees are, on average, the lowest paid publicly funded, public interest lawyers in our state, hampering our efforts to attract and retain staff.

Nonprofit legal services providers, like Maryland Legal Aid and MLSC's other grantees, have not been able to keep pace with other peer organizations in the state such as the Office of the Public Defender or the Office of the Attorney General.

Pay parity with these other public interest lawyers is essential to assure MLSC grantees, like ours, can meet the civil legal needs of our fellow Marylanders. We fully support the salary increases our state partners have and will receive; our client populations overlap significantly, and our work is complementary. But that means there should be consistent, equitable access to representation when our clients, sadly, move between their criminal, civil, and other challenges.

Parity also means equity in hiring. Low pay for legal services advocates means that talented advocates are excluded because they can't afford to do this important work, whether because they may have student loan debt, lack inter-generational wealth, or don't have a second income in their household. That also can mean that our lawyers don't look like the communities we represent, which can impact our ability to connect with and represent our client communities.

This bill that dedicates half of the filing fee increase funding to MLSC will help alleviate this gap and ensure Marylanders receive the civil legal assistance they need.

We urge the Committee to report SB481 favorably to ensure that Maryland takes this next critical step to protect tenants' rights, ensure the continuation of the ACE program and other vital civil legal services low-income Marylanders need and deserve, and reduce the level of evictions that too often fall disproportionately on Black Marylanders in our state.

Respectfully submitted,

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