



MLSC

MARYLAND LEGAL SERVICES CORPORATION

IOLTA - INTEREST ON LAWYER TRUST ACCOUNTS

House Bill 876: Access to Counsel in Evictions - Special Fund – Alteration

Hearing Date: February 11, 2025, House Appropriations Committee

Position: Favorable

Maryland Legal Services Corporation (MLSC) respectfully requests a favorable report on HB876, which would amend the existing statute governing the Access to Counsel in Evictions (ACE) Special Fund to include funds received by the Antitrust Division of the Office of the Attorney General from settlements, agreements, or judgments related to cases involving artificial inflation of the rental housing market.

MLSC's mission is 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. Currently, MLSC funds 50 organizations across the state, providing critical legal services to Marylanders facing eviction and other civil legal challenges. In 2021 the Maryland General Assembly created the ACE Program to ensure that tenants facing eviction have access to legal representation and named MLSC as its administrator. The General Assembly set a statutory goal of full implementation by October 2025 and established the ACE Special Fund, which currently provides funding for the program through FY27.

With a current annual budget of \$20 million, ACE is already making a measurable impact. Through the program legal services providers closed nearly 9,000 cases, preventing eviction for thousands of Marylanders and saving more than \$6 million in direct costs for tenants. The program is a robust, multi-faceted approach at solving the housing crisis, and includes:

- Free legal representation in all jurisdictions
- A statewide coordinated intake system accessible through Maryland's 211 hotline
- Comprehensive tenant outreach and education efforts
- Vigorous independent evaluation.

While the ACE Special Fund provides a vital foundation for the program, it is not sufficient to fully meet the needs of a growing statewide initiative. Every year, MLSC has needed to seek additional federal grants and other sources of funding to supplement the ACE Special Fund. However, these funds remain unpredictable, and with federal grants at risk, securing additional resources is more critical than ever. Although the funding generated by HB876 would not be a permanent revenue stream, it would represent a significant and timely investment in the ACE Program at a moment when expansion is necessary to meet the General Assembly's goal of full implementation. An injection of funds from settlements related to artificially inflated rental costs would allow ACE to strengthen its outreach and expand its service capacity; ensuring that more Maryland tenants receive the legal assistance they need to stay in their homes.

Under current law, certain funds recovered by the Attorney General's Office in consumer protection cases have been allocated to the ACE Special Fund. MLSC has received funding from these sources in the past, and these funds were critical in launching and implementing the ACE Program. Expanding this mechanism to include funds from antitrust cases is a just extension of this policy. While this funding would not be ongoing, it would provide a substantial boost to ACE, helping to close service gaps and mitigate funding shortfalls that could otherwise delay full implementation.

For these reasons, MLSC urges a **favorable report on HB876**. If we can provide any further information or assistance, please do not hesitate to contact Michelle Siri, Executive Director, at 410-576-9494 x1009, or msiri@mlsc.org.