



**TESTIMONY PRESENTED TO THE SENATE JUDICIAL PROCEEDINGS COMMITTEE
SENATE BILL 657 – SMALL CLAIMS - EXAMINATION IN AID OF ENFORCEMENT -
PROHIBITION ON ARREST OR INCARCERATION FOR FAILURE TO APPEAR**

Sponsor: The President (Office of the Attorney General)

March 3, 2021

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 657, which prohibits an individual from being arrested or incarcerated for failure to respond to an order to appear in court (1) for an examination in aid of enforcement of a money judgment entered in a small claim action in the District Court or (2) to show cause why the individual should not be found in contempt for failure to appear in court for an examination in aid of enforcement of a money judgment entered in a small claim action in the District Court.

Under current law Maryland's District Courts have become an extension of the debt collection industry. In the state, a lawsuit filed by a creditor for a principal amount that is \$5,000 or below is considered a small claim and is heard in District Court, where there are few or no rules of evidence applied, and few procedural safeguards. Debt collectors can use sheriff's deputies and the threat of jail to intimidate people into paying debt. For those who cannot pay, this results in individuals being incarcerated for contempt of court for failing to respond to court hearings or other court orders.

According to research from the Maryland Consumer Rights Coalition (MCRC), consumer debt collection lawsuits and the resulting judgements are disproportionately carried out in communities-of-color throughout Maryland. From the MCRC 2018 publication *No Exit: How Maryland's Debt Collection Practices Deepen Poverty & Widen the Racial Wealth Gap*:

“Debtors’ prisons create a two-tiered system of justice: those who can afford to pay a bail or bond do not go to jail, while those who can’t afford to pay remain in jail. The practice creates a vicious cycle of poverty wherein the individual cannot work because they are jailed. They may lose their job, which, of course, makes it far more difficult to repay a debt. Jailing someone for a debt serves no constructive purpose: the individual is not violent, nor are they a danger to the community. They are simply poor, which is not supposed to be a jailable offense in Maryland.”

Senate Bill 657 is consistent with the Greater Baltimore Committee's 2021 Legislative Priorities, which outlines the GBC's organizational focus on advancing racial equity and social justice by considering the impacts of legislation on small and minority owned businesses, minority populations, and economically disadvantaged residents. The bill supports these populations and their employers by putting an end to a modern day debtor's prison.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 657.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

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