



Jan. 22, 2021

Senator William C. Smith, Jr., Chair
Senate Judicial Proceedings Committee

SB 232

Re: Support for Senate Bill 232 Civil Cases - Surcharges

Dear Chairperson Smith and Honorable Members of the Senate Judicial Proceedings Committee:

Thank you for the opportunity to submit testimony supporting SB 232, a bill to increase court filing fee surcharges to fund the Maryland Legal Services Corporation (MLSC). This funding has been critical in supporting MLSC, Maryland's primary funder of civil legal aid. MLSC provides funding – in the form of basic operating expenses – to 36 nonprofit civil legal aid organizations across the state, providing legal assistance to low-income Marylanders to prevent evictions and foreclosures, assist with family law issues, address consumer debt, access benefits and more.

Passing SB 232 is critical to ensure that Maryland residents will be able to access legal services at a time when they are needed more than ever. **MLSC currently projects that fiscal year 2022 revenue will be at least \$6 million lower than pre-pandemic levels.** At the same time, legal services providers are bracing for a new eviction and foreclosure crisis due to the pandemic.

SB 232 would meet the need by modestly increasing the surcharge on civil court filing fees (increases would be between \$5 and \$20 per case). Even with these increases, Maryland's filing fees would remain at or below national averages. These filing fee surcharges are one of MLSC's two major funding sources. The other, the Interest on Lawyer Trust Accounts (IOLTA) program, has seen significantly reduced funding as a result of near zero interest rates, levels which the Federal Reserve has indicated it is likely to maintain.

Community Law Center is one of MLSC's grantees. We are a nonprofit organization which provides legal services to nonprofit and community organizations throughout Maryland, to promote stronger nonprofits and more vibrant neighborhoods. MLSC funding allows us to help communities form neighborhood associations to address public safety issues, engage in beautification projects, and amplify their voice on local issues. It means we can work with communities to address the devastation of vacant and abandoned properties, hold property owners accountable, and work to get vacant properties put back to productive use and reverse the cycle of disinvestment. MLSC funding means that we can support nonprofits with resources on how to maintain the organization, run meetings, address tax liability, sustain financial health and accountability, and more. MLSC funding allows us to provide support to grassroots, volunteer-led nonprofits throughout the state, many of which would have no other way of accessing affordable legal services.

We urge a **favorable report** on SB 232, to ensure that MLSC is able to sustain its funding for critical legal services work in Maryland. Thank you for your consideration.

Sincerely,
Shana Roth-Gormley
Staff Attorney and Pro Bono Coordinator