



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

February 17, 2021

**Testimony in SUPPORT of HB 478 - Civil Cases - Surcharges**

**Summary:** HB 478 proposes modest fee increases to the cost of filing civil court cases. This revenue will go to the Maryland Legal Services Corporation (MLSC), which provides civil legal services to low-income Marylanders. It also prevents landlords from passing the filing fees of ejectment cases to tenants.

**Overview:** The MLSC provides funding to 36 non-profit civil legal services across the state. Their funding comes from two main places, as decided by the General Assembly in 1998:

- The Interest on Lawyer Trust Accounts (IOLTA) program
- Civil surcharges

The Federal Reserve has indicated they will keep interest rates near zero for several more years, meaning that MLSC cannot rely on IOLTA as a significant source of funding for civil legal aid.

Further, the pandemic has resulted in a dramatic decrease in the number of court filings (and therefore, civil surcharges), resulting in a \$6 million deficit for MLSC.

While civil filings have decreased, the demand for civil legal aid has increased. MLSC grantees help Marylanders with evictions, foreclosures, consumer debt, and other issues that are likely to become more prominent as the economic fallout from COVID-19 continues.

HB 478 changes civil fee surcharges as follows:

- Circuit court filings: from \$55 to \$75;
- District court summary ejectment cases: from \$8 to \$13
- Other district court cases: from \$18 to \$24

These projected fee increases, while very minor to individual filers, will account for this \$6 million deficit and allow MLSC to continue to serve low-income Marylanders.

The General Assembly and the Courts have already recognized that these fees can place a barrier to low-income filers, who are eligible to receive waivers on filing fees. HB 478 furthers these protections by preventing filing fees for ejectment cases from being passed on to tenants, who are already financially struggling.

**Conclusion:** Maryland's residents are facing months of economic vulnerability as the fallout from COVID continues. HB 478 enacts a small change that will ensure they can still access quality civil legal services and are not burdened with excess fees as they work to recover.

Thank you and I ask for a favorable report on HB 47