

## Maryland State Bar Association Delivery of Legal Services Section

House Judiciary Committee Hearing  
January 27, 2010

### House Bill 106: Civil Cases -- Maryland Legal Services Corporation Fund -- Surcharges

#### **SUPPORT**

The Maryland State Bar Association Delivery of Legal Services Section supports House Bill 106. This legislation revises Sections 7-202 and 7-301 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland by increasing the maximum surcharges in civil cases.

House Bill 106 raises the maximum surcharge in Circuit Court civil cases from \$25 to \$70. This legislation also raises the maximum surcharge in District Court from \$5 to \$10 in summary ejectment cases and from \$10 to \$20 in all other civil cases. The surcharges are payable to the Maryland Legal Services Corporation Fund.

Maryland Legal Services Corporation (MLSC) provides funding to non-profit providers of legal representation for low-income individuals in every jurisdiction in Maryland. In the past, a significant share of MLSC's funding has come from Interest on Lawyer Trust Accounts (IOLTA). Even in the best of times, legal service providers have been able to meet only a fraction of the legal needs of low-income individuals. As the economy has weakened, interest rates have dropped, and MLSC's funding from IOLTA has decreased dramatically. The weak economy also has caused an increase in demand for legal services for low-income individuals, especially with respect to foreclosures.

The increases in the surcharges are necessary so that MLSC may continue to provide assistance to low-income litigants. Providing low-income individuals with legal representation not only promotes fairness by fostering the protection of basic legal rights, it also improves the efficiency of the administration of justice. Moreover, the increases in the surcharges are relatively modest. Even after the increases, filing fees in Maryland civil cases will remain lower than the average fees in nearby states.

Despite the modest nature of the increased surcharge in a given civil case, the aggregate effect will be substantial. MLSC estimates that the increases in the surcharges will provide an additional \$8.5 million per year. The additional funds will help counter the severe drop in IOLTA funds and will allow MLSC and legal service providers in Maryland to continue to provide legal representation for low-income individuals.

For these reasons, the Maryland State Bar Association Delivery of Legal Services Section supports House Bill 106.