

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 683 (Senator McFadden)
Judicial Proceedings

Housing - Discrimination Based on Source of Income - Prohibited

This bill prohibits discriminatory practices in the sale or rental of a dwelling because of a person's source of income.

Fiscal Summary

State Effect: Any additional workload for the Department of Housing and Community Development and the Human Relations Commission could be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: Minimal or none.

Analysis

Bill Summary: The bill prohibits taking the following actions because of a person's source of income: (1) refusing to sell or rent a dwelling after the making of a bona fide offer; (2) refusing to negotiate for the sale or rental of a dwelling; (3) making a dwelling unavailable; (4) discriminating in the terms, conditions, or privileges of sale or rental of a dwelling; (5) discriminating in the provision of services or facilities in connection with the sale or rental of a dwelling; (6) making, printing, or publishing or causing to be made, printed, or published any notice, statement, or advertisement with respect to a dwelling that indicates a preference, limitation, or discrimination based on source of income; (7) representing to a person that a dwelling is not available for inspection, sale, or rental when it is available; and (8) for profit, inducing or attempting to induce a person to sell or

rent a dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons with a particular source of income.

The bill exempts determinations of a potential buyer's or renter's ability to pay a purchase price or rent by: (1) verifying that person's source and amount of income; or (2) evaluating that person's stability, security, and creditworthiness, or any source of income of the potential buyer or renter. The bill exempts a refusal to consider income derived from any criminal activity. Landlords who own four or fewer rental units in the State and an "assisted rental housing development" are also exempt.

The bill prohibits a person whose business includes engaging in residential real estate related transactions from discriminating against a person in making available a transaction, or in the terms or conditions of a transaction, because of the person's source of income. However, a real estate appraiser may take into consideration factors other than source of income.

The bill provides that it is unlawful to, because of a person's source of income, deny that person access to, or membership or participation in, a multiple-listing service, real estate brokers' organization or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against a person in the terms or conditions of membership or participation.

Under the bill, a "source of income" is any lawful source of money paid directly or indirectly to a renter or buyer of housing, including: (1) any lawful profession or occupation; (2) any government or private assistance, grant, loan, or rental assistance program; (3) any gift, inheritance, pension, annuity, alimony, child support, or other consideration or benefit; and (4) any sale or pledge of property or interest in property.

"Assisted Rental Housing Development" is defined as a development of four or more contiguous rental dwelling units in which 20% or more are rented or must be made available for rent to households of low income pursuant to a federal, State, or local government housing assistance program.

Current Law: Housing discrimination because of race, sex, creed, color, religion, national origin, marital status, and physical or mental handicap is prohibited. Chapter 340 of 2001 added sexual orientation to this list of prohibited forms of discrimination. There is no provision prohibiting housing discrimination based on source of income.

Additional Information

Prior Introductions: Two similar bills, HB 990 and HB 650, were introduced in the 2002 and 1999 sessions, respectfully. Both received an unfavorable report from the House Economic Matters Committee.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Human Relations Commission, Department of Housing and Community Development, Department of Legislative Services

Fiscal Note History: First Reader - March 12, 2003
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