

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 24

(Senator Simonaire)

Judicial Proceedings

Discrimination in Housing - Military Status

This bill elevates “military status” to a protected class for purposes of State fair housing laws and prohibits discriminatory practices in residential real estate transactions and the sale or rental of a dwelling because of a person’s military status.

Fiscal Summary

State Effect: General fund expenditures increase at least minimally for the Maryland Commission on Civil Rights (MCCR) to the extent that it has to investigate additional complaints. The bill does not materially impact the workload of the Judiciary or the Office of Administrative Hearings.

Local Effect: The bill does not materially impact the workload of the circuit courts.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Military status” is defined as the status of being an active duty member of the U.S. Armed Forces or a veteran who received an honorable or general administrative discharge from active duty with the U.S. Armed Forces.

The bill prohibits taking the following actions because of a person’s military status: (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 otherwise unavailable; (4) discriminating in the terms, conditions, or privileges of the 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 the sale or rental of a dwelling that indicates a preference, limitation, or discrimination based on military status; (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 of a particular military status.

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

Current Law: Housing discrimination because of race, sex, color, religion, national origin, marital status, familial status, sexual orientation, gender identity, or disability is prohibited. There is no provision prohibiting housing discrimination based on military status.

A person claiming to have been injured by a discriminatory housing practice may file a complaint with MCCR or file a civil action in circuit court. If an administrative law judge (ALJ) finds that the respondent has engaged in a discriminatory housing practice, the ALJ may order appropriate relief, including actual damages and injunctive or other relief, and may assess a civil penalty against the respondent. A court may award actual or punitive damages, grant injunctive relief, and allow reasonable attorney's fees and costs.

State Expenditures: General fund expenditures increase at least minimally to the extent that any new complaints are filed. MCCR advises that it does not currently investigate this type of discrimination, and investigations would likely require disparate impact studies at an estimated cost of at least \$5,000 per study. Although MCCR receives federal reimbursement for investigating complaints related to housing discrimination from the Department of Housing and Urban Development, MCCR also advises that because military status is not a protected class under the federal Fair Housing Act, it would not be able to receive federal reimbursement for any expenses incurred relating to investigating these complaints. Accordingly, MCCR needs to ensure that investigating any additional cases regarding military status does not negatively impact its case closure rate, which may impact federal funding. Although existing staff can investigate a small number of additional cases, an additional investigator may be required to the extent that MCCR receives a large number

of complaints. *For illustrative purposes only*, if an additional investigator is required, general fund expenditures increase by a minimum of \$89,000 annually.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Commission on Civil Rights, Department of Veterans Affairs, Department of Legislative Services

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