

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 861

(Delegate Palakovich Carr)

Environment and Transportation

Judicial Proceedings

Real Property - Landlord and Tenant - Reusable Tenant Screening Reports

This bill (1) requires a “reusable tenant screening report” to contain specified information regarding a prospective tenant; (2) requires notice regarding whether a landlord accepts such reports; (3) prohibits a landlord from charging specified fees related to the reports; and (4) authorizes a landlord to require a tenant to certify the report and reject an application if there has been a material change to a report. The bill’s provisions are applicable to residential leases only.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State government operations or finances.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Minimal, as discussed below.

Analysis

Bill Summary: A “reusable tenant screening report” is a report prepared within the previous 30 days by a consumer reporting agency at the request and expense of a prospective tenant and made directly available to a prospective landlord at no charge for use in the rental application process. A reusable tenant screening report must contain the following:

- a credit report;
- for each jurisdiction indicated as a prior residence of the prospective tenant, regardless of whether the residence is reported by the prospective tenant or by the consumer reporting agency preparing a consumer report:
 - a comprehensive criminal history records check for all federal, State, and local charges against and convictions of the prospective tenant over the previous seven years; and
 - a comprehensive eviction history for all State and local jurisdictions for the previous seven years;
- verification of employment and income; and
- current address and rental history.

A landlord must notify prospective tenants regarding whether or not the landlord accepts reusable tenant screening reports either in writing or by posting notice in a conspicuous manner. Notice may include (1) a statement posted on a rental housing listing; (2) notice posted on the homepage of a website; (3) information provided in the rental application page for a rental property online; or (4) any other manner reasonably calculated to provide potential tenants with notice.

If a landlord accepts a reusable tenant screening report, the landlord is prohibited from charging the prospective tenant a fee for the landlord to access the report or an application fee. In addition, a landlord may require a prospective tenant to certify that there has not been a material change to the tenant's name, address, bankruptcy status, criminal history, or eviction history since the date that the report was generated.

Prior to the execution of a lease agreement, a landlord may reject an application for tenancy if a prospective tenant made a material change to a reusable tenant screening report.

Current Law: If a landlord requires from a prospective residential tenant any fees other than a security deposit, and the fees exceed \$25, the landlord must return the fees or be liable for twice the amount of the fees in damages. The return must be made within 15 days following the date of occupancy or the written communication that no tenancy will occur. However, the landlord may retain the portion of the fee that was actually expended for a credit check or other expenses arising out of the application, as specified. These provisions are not applicable to landlords who offer four or fewer dwelling units for rent at one location or to seasonal or condominium rentals.

Small Business Effect: The bill *does not* require that a landlord accept reusable tenant screening reports. However, some small business landlords that elect to accept such reports may experience a *minimal* decrease in revenues from fees related to the rental application process. Alternatively, to the extent that the bill facilitates more prospective tenants using

reusable screening reports, small business landlords may experience a decrease in expenditures related to costs associated with processing rental applications.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 691 (Senator Hettleman) - Judicial Proceedings.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Legislative Services

Fiscal Note History: First Reader - February 12, 2021
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