

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1177 (Delegate Hill, *et al.*)
 Environment and Transportation

Landlord and Tenant - Tenant Repair and Maintenance Complaint Hotline - Establishment

This bill requires the Office of the Attorney General (OAG) to establish a toll-free hotline for tenants to report complaints related to repairs and maintenance of residential rental properties, including those owned by government entities. The hotline must allow anonymous reporting. After reviewing a complaint, OAG may refer the tenant to a legal services entity (including the Maryland Legal Services Corporation), report violations for local code enforcement, or take legal action to recover damages and seek equitable relief for the tenant. Furthermore, the bill requires, annually by February 1 over the next five years, for OAG to submit a specified report to the Senate Judicial Proceedings Committee and the House Environment and Transportation Committee.

Fiscal Summary

State Effect: General fund expenditures for OAG increase by \$350,900 in FY 2026; future years reflect annualization, inflation, and the elimination of one-time costs. Revenues are not affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	350,900	383,000	400,000	417,900	435,700
Net Effect	(\$350,900)	(\$383,000)	(\$400,000)	(\$417,900)	(\$435,700)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

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

Small Business Effect: Minimal.

Analysis

Bill Summary: Beginning February 1, 2026, and annually thereafter until February 1, 2030, OAG must report to the Senate Judicial Proceedings Committee and the House Environment and Transportation Committee on the tenant hotline. The report must include, for the immediately preceding calendar year, (1) the total number of complaints; (2) to the extent available, complaints disaggregated by county/geographical region, race/ethnicity, age range, and type of complaint; (3) average resolution time; and (4) any identified complaint patterns, including disproportionate numbers of complaints against specific housing management agencies, landlords, or property management groups.

Current Law: Statutory provisions provide tenants with a mechanism for encouraging the repair of serious and dangerous defects/conditions that exist within or as part of any residential dwelling unit, or upon common property, as specified. The defects are those in which a substantial and serious threat of danger to the life, health, and safety of the occupants is present. Statutory provisions provide a remedy and impose an obligation upon landlords to repair and eliminate the serious and dangerous conditions and defects.

However, statute does not provide a remedy for the landlord's failure to repair and eliminate minor defects or, in those locations governed by such codes, housing code violations of a nondangerous nature. There is a rebuttable presumption that the following conditions, when they do not present a serious and substantial threat to the life, health, and safety of the occupants, are not covered by the aforementioned statutory provisions:

- any defect, which merely reduces the aesthetic value of the leased premises, such as the lack of fresh paint, rugs, carpets, paneling, or other decorative amenities;
- small cracks in the walls, floors, or ceilings;
- the absence of linoleum or tile on the floors, provided that they are otherwise safe and structurally sound; or
- the absence of air conditioning.

State Expenditures: OAG anticipates receiving a significant volume of complaints under the bill and advises of the need for at least seven additional staff. The Department of Legislative Services acknowledges that a high number of complaints are likely to be received, particularly since reports may be made anonymously, and assumes that OAG exercises its authority under the bill to not only refer tenants and report code violations to other entities for assistance and enforcement, but also to bring its own actions for violations. This analysis assumes that one mediation supervisor, one investigator, one assistant Attorney General, and one administrative aide are needed initially. Accordingly, general fund expenditures for OAG increase by \$350,894 in fiscal 2026, which accounts for the bill's October 1, 2025 effective date. This estimate reflects salaries,

fringe benefits, one-time start-up costs (including contractual services for information technology related expenses), and ongoing operating expenses.

Positions	4.0
Salaries and Fringe Benefits	\$293,897
One-time Start-Up Costs	53,682
Other Operating Expenses	<u>3,315</u>
Total FY 2026 State Expenditures	\$350,894

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses. Depending on the nature and volume of complaints generated by the hotline, additional support may be needed in future years. Should the staffing level indicated above prove insufficient, additional resources can be requested through the annual budget process.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2025
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