

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1257

(Delegate Vogel, *et al.*)

Environment and Transportation

Judicial Proceedings

Landlord and Tenant - Residential Leases - Fee Disclosures

This bill generally requires landlords to provide prospective tenants with specified information about fees and prohibits the charging of undisclosed mandatory fees. The bill also authorizes a tenant to bring an action against a landlord for a violation of the bill's provisions that occurred (1) on or after February 1, 2026, and (2) during the tenancy or up to two years after the tenancy's expiration. A county or municipal corporation may enact local laws consistent with the bill's provisions. Local laws or ordinances that are comparable in subject matter to the bill supersede the bill's provisions to the extent the local laws/ordinances are more stringent or provide stronger protection to a tenant or broader applicability.

Fiscal Summary

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

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

Small Business Effect: Minimal.

Analysis

Bill Summary:

Definitions

A "mandatory fee" means a compulsory fee imposed on a tenant as a condition of tenancy.

An “optional fee” means a voluntary fee that a tenant may elect to pay a landlord for benefits or services related to the tenancy, including a fee for parking, storage, or pets.

Fee Disclosure Requirements

The bill’s requirements only apply to (1) a landlord that offers four or more dwelling units for rent and (2) a lease signed or renewed on or after October 1, 2025. Further, the bill does not apply to:

- charges imposed on a tenant for the payment of water, sewer, gas, garbage collection, or electric utilities;
- costs, fines, or fees for minor violations of a lease agreement, or other irregular costs incurred as a result of a tenant’s actions, such as a charge for a replacement key or a penalty for a violation of the bylaws of a common ownership community if the dwelling unit is located in a common ownership community; or
- the withholding of any portion of a security deposit at the end of a tenancy in accordance with § 8-203 of the Real Property Article.

Under the bill, a landlord must, in writing, provide a prospective tenant with an itemized list clearly identifying all fees that may be imposed on the prospective tenant, and include information on (1) the basis for the fee; (2) the amount of the fee; (3) whether the fee is mandatory or optional; and (4) when the fee is due, as specified. A landlord may not impose a mandatory fee on a tenant that is not disclosed in accordance with these provisions, and a lease provision for which these requirements were not met is unenforceable.

Cause of Action

The bill grants a tenant the right to pursue legal action against a landlord for a violation of the bill that occurred on or after February 1, 2026, and during the tenancy or up to two years after its expiration. If a court finds that a landlord has violated the bill’s provisions, the court may award damages equal to three times the actual damages resulting from the violation, as well as reasonable attorney’s fees.

Current Law:

Required Disclosures – Fees

State statute does not expressly require the disclosure of *all* fees to tenants or prospective tenants when advertising or offering a unit. However, some fees or obligations must be disclosed by landlords either in writing or in a lease agreement. For example, a landlord that uses a ratio utility billing system for one or more utilities must provide certain information to all prospective tenants in writing. A lease provision that requires a tenant to

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pay the utility charges billed to the tenant under a ratio utility billing system is unenforceable if the landlord fails to provide the necessary information.

Residential Leases Requirements

Any landlord who offers five or more dwelling units in the State for rent may not rent a unit without using a written lease. The lease must include certain disclosures and notices, including (1) a statement that the premises will be delivered in a livable condition, with reasonable safety, if that is the agreement, or if both parties agree otherwise, a statement of the agreement concerning the condition of the premises; (2) the landlord's and the tenant's specific obligations for heat, gas, electricity, water, and repair of the premises; (3) a receipt for the security deposit, as specified; and (4) a copy of the most current version of the Maryland Tenants' Bill of Rights.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Municipal League; Office of the Attorney General (Consumer Protection Division); Department of Housing and Community Development; Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2025
km/jkb Third Reader - March 24, 2025
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