

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1460 (Delegate Taveras, *et al.*)
 Economic Matters

Landlord and Tenant - Investor-Owned Single-Family Rental Property -
 Landlord Requirements

This bill establishes several restrictions and requirements for landlords of “investor-owned single-family rental property,” including (1) restricting rent and fees; (2) requiring disclosures related to the property; (3) prohibiting certain retaliatory actions; and (4) requiring the submission of specified information to the Department of Housing and Community Development (DHCD). The bill also requires DHCD to establish and maintain a publicly accessible registry of investor-owned single-family rental property landlords. In addition, the bill establishes a related cause of action (and associated remedies) and civil penalties for certain violations. **The bill takes effect January 1, 2027.**

Fiscal Summary

State Effect: General fund expenditures increase by \$185,800 beginning in FY 2027, which reflects the bill’s January 1, 2027 effective date, for staff and one-time programming costs. Future years reflect annualization, inflation, and ongoing costs. Potential minimal increase in State revenues from civil penalties (not reflected below).

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	185,800	232,500	243,300	254,200	265,300
Net Effect	(\$185,800)	(\$232,500)	(\$243,300)	(\$254,200)	(\$265,300)

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 operations or finances.

Small Business Effect: Meaningful.

Analysis

Bill Summary:

Definitions

“Fair market rent” means the most recently published annual fair market rent rate established by the federal Department of Housing and Urban Development.

“Investor-owned single-family rental property” means a single-family rental property owned by a person that owns two or more residential rental properties in the State.

“Maximum allowable rent” means the greater of (1) 120% of the fair market rent for the ZIP Code in which the single-family rental property is located or (2) 120% of the last recorded sale price of the single-family rental property, divided by 12.

“Single-family rental property” means a single-family attached or detached residential dwelling that is leased to tenants.

The bill’s provisions only apply to investor-owned single-family rental property. The bill does not apply to (1) an owner-occupied residence with only a portion of the residence available for rent; (2) a single-family rental property subject to a long-term affordability covenant; or (3) a licensed kinship home or foster care home.

Rent, Cost, and Fee Restrictions

The bill prohibits a landlord from charging more than (1) the maximum allowed rent; (2) the documented cost of utilities; or (3) \$100 per month for additional mandatory fees. The landlord is also prohibited from using other fees or charges to circumvent these limits.

Disclosures

Before a prospective tenant enters into (or a tenant renews) a lease agreement, the landlord must provide a sworn statement in the recipient’s primary language disclosing (1) the fair market rent at the time of the agreement or renewal; (2) the last sale price of the residential dwelling; and (3) the maximum allowable rent.

Cause of Action, Remedies, and Civil Penalties

A tenant or prospective tenant harmed by a violation of the restrictions or disclosure requirements stated above may bring an action against the landlord for injunctive relief, reasonable attorney’s fees, and treble damages. In addition, as applicable, DHCD or the

Office of the Attorney General (OAG) may impose a civil fine of up to \$10,000 and, in collaboration with the appropriate local housing authority, suspend the landlord's rental license.

Retaliatory Actions

The bill prohibits a landlord from retaliating against a tenant who asserts rights established under these provisions or reports price gouging or insufficient disclosure to an enforcement authority. If a landlord retaliates, in addition to any relief available under existing law, the tenant may require the landlord to sign a 12-month lease renewal at the maximum allowable rent, and an enforcement authority may impose a civil fine not exceeding \$10,000.

Registry – Requirements

The bill requires DHCD to establish and maintain a publicly accessible registry of investor-owned single-family rental property landlords. A landlord must submit specified identifying and contact information to DHCD. If a landlord submits false information for the registry, an enforcement authority may require a correction, impose a civil fine not exceeding \$10,000, suspend any rental licenses held by the landlord (in collaboration with the appropriate county housing authority), and prohibit the landlord from offering a property for lease for up to three years.

Current Law: Generally, relationships between landlords and tenants are governed by the lease agreements and Title 8 of the Real Property Article. Existing statutory language limits/requires certain actions taken by landlords, including restrictions on retaliatory actions, mandated notices, and required language in lease agreements between landlord and tenants.

Retaliatory Actions

Generally, a landlord may not (1) bring or threaten action for possession against a tenant; (2) arbitrarily increase the rent or decrease services to which a tenant is entitled; or (3) terminate a period tenancy because:

- the tenant or the tenant's agent has filed a good faith written complaint with the landlord or with a public agency against the landlord, as specified;
- the tenant or agent has filed a lawsuit or lawsuits against the landlord or testified or participated in a lawsuit involving the landlord;
- the tenant is a participant in any tenants' organization; or

- solely because the tenant or another individual, including another resident, summoned the assistance of law enforcement or emergency services to the property.

A violation of the above requirements is a “retaliatory action.” A tenant may raise a retaliatory action of a landlord (1) in defense to an action for possession or (2) as an affirmative claim for damages.

Notices

Subject to limited exception, and applicable only to residential leases, prior to increasing a tenant’s rent, a landlord must send written notice to the tenant by first-class mail (with a certificate of mailing) or by electronic delivery, if the tenant has elected electronic delivery. Electronic delivery includes an email message, text message, or electronic tenant portal and must provide the landlord with proof of transmission of the notice. A landlord must provide the notice required as follows:

- for a tenancy for a term of more than one month, the notice must be sent at least 90 days in advance of the rent increase;
- for a tenancy for a term of more than one week, but not more than one month, the notice must be sent at least 60 days in advance of the rent increase; and
- for a tenancy for a term of one week or less, the notice must be sent at least 7 days in advance of the rent increase if the parties have a written lease or at least 21 days in advance if the parties do not have a written lease.

Prohibited Lease Provisions

Among other requirements/prohibitions regarding leases, a landlord may not use a lease or form of lease containing any provision that, among others:

- has the tenant authorize any person to confess judgment on a claim arising out of the lease;
- has the tenant agree to waive/forego any right or remedy provided by applicable law;
- imposes a penalty for the late payment of rent in excess of specified thresholds;
- has the tenant waive the right to a jury trial;
- has the tenant agree to a period required for the landlord’s notice to quit that is shorter than the period required by applicable law, as specified; or
- authorizes the landlord to take possession of the leased premises or the tenant’s personal property unless the lease has been terminated by action of the parties or by operation of law, and the personal property has been abandoned by the tenant without the benefit of a formal legal process.

State Fiscal Effect: General fund expenditures increase for OAG and DHCD by \$185,752 in fiscal 2027 to hire necessary staff and develop the registry required under the bill.

Office of the Attorney General

General fund expenditures increase for OAG by \$135,752 in fiscal 2027 for additional staff, which reflects the bill's January 1, 2027 effective date. This estimate reflects the cost of hiring one assistant Attorney General and one investigator to bring anticipated enforcement actions against violators and coordinate with appropriate units of State and local governments. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	2.0
Salaries & Fringe Benefits	\$118,859
Operating Costs	<u>16,893</u>
Total OAG FY 2027 Expenditures	\$135,752

Future year expenditures reflect full salaries with annual increases and employee turnover, as well as annual increases in ongoing operating expenses. Additional resources may be needed in future years, depending on the total workload caused by the bill's requirements. To the extent that additional resources are required, OAG can request additional positions through the annual budget process.

Department of Housing and Community Development

DHCD advises that current staff are unable to complete the bill's requirement to initially develop and program a publicly accessible registry of investor-owned single-family rental property landlords. Accordingly, general fund expenditures for DHCD increase by \$50,000 in fiscal 2027 only for contractual costs associated with registry development and programming. Once the registry is developed, existing staff at DHCD can maintain the registry in accordance with the bill's requirements.

Judiciary

The Judiciary advises that the bill is not anticipated to materially affect operations or finances.

Small Business Effect: Any small business landlords are subject to additional responsibilities, civil penalties, and causes of action from tenants/prospective tenants. In certain circumstances landlords may lose their ability to operate a rental property upon the revocation of licensure.

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); Judiciary (Administrative Office of the Courts); Department of Housing and Community Development; Department of Legislative Services

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caw/jkb

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