

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1436 (Delegate Buckel)
 Economic Matters

Office of the Attorney General - Federal- and State-Assisted Housing Programs -
 Grievance Process

This bill establishes a grievance process through the Office of the Attorney General (OAG) for “clients” in “assisted housing programs,” including public housing, the federal Housing Choice Voucher Program, and emergency shelter programs. It also requires OAG to (1) receive and investigate grievances; (2) provide mediation services between clients and “providers”; (3) develop a standardized grievance form; (4) establish a complaint hotline; (5) inform clients of specified legal services; and (6) submit annual reports to the General Assembly. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by \$260,500 in FY 2027 for staff. Future years reflect annualization and inflation. The bill is otherwise not anticipated to materially affect State operations or finances.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	260,500	309,600	324,000	338,600	353,400
Net Effect	(\$260,500)	(\$309,600)	(\$324,000)	(\$338,600)	(\$353,400)

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

Local Effect: Local government expenditures may increase due to administrative and litigation costs, as discussed below. Revenues are not affected.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Definitions

“Assisted housing program” means any federally funded or State-funded program that provides housing assistance. It includes public housing, the federal Housing Choice Voucher Program, and an emergency shelter program.

“Client” means an individual receiving assistance through an assisted housing program.

“Provider” means a person who provides housing to a client under an assisted housing program. It includes a landlord, a housing authority, and a continuum of care as defined in § 4-2101 of the Housing and Community Development Article.

Office Establishment and Duties

The bill requires OAG to investigate grievances filed under the bill and to mediate resolutions between aggrieved clients and providers. Clients may file grievances regarding (1) a provider’s actions or inactions related to housing conditions; (2) lease violations, or (3) adherence to assisted housing program rules. In furtherance of this responsibility, the bill authorizes OAG to use the Division of Consumer Protection or another existing unit of OAG, or to create a new unit within the office.

The bill requires OAG to develop and make readily available (online and in physical office locations) a standard grievance form and to establish a toll-free hotline to provide information on filing a grievance.

Review, Investigation, Mediation, and Referrals

Upon receiving a grievance, OAG must review and investigate the grievance and mediate a resolution. During the investigation, OAG may coordinate with the Department of Housing and Community Development (DHCD) or the U.S. Department of Housing and Urban Development. However, OAG may not coordinate with any agency named in the grievance.

If a grievance is not resolved through mediation, OAG must inform the grievant of additional relevant legal services, including the services of the legal aid bureaus. OAG must assist the legal aid bureaus and other legal service providers in accessing resources; providing guidance; and offering legal oversight for cases brought to trial in the State as a result of a grievance submitted under the bill.

Notice – Requirements

Providers must attach notice of OAG’s grievance process to each lease agreement and client participation agreement on initial program entry and must distribute notice of the grievance process to existing clients annually. The notice must include OAG’s contact information (including the website address and hotline number).

Enforcement and Remedies

OAG may bring an action for injunctive relief, damages, or other relief if a provider fails to cooperate with an investigation or mediation. OAG may also bring an action if it identifies a violation of State or federal housing law during an investigation.

A violator must take all necessary measures within the provider’s purview to make a client whole if the violator’s action harmed the client.

Regulations and Reporting

OAG may adopt regulations to implement the bill. It must also report to the General Assembly, annually by January 1, on the number of grievances received, the reason for each grievance, and the outcome of each grievance during the immediately preceding fiscal year.

Current Law: Generally, State statute does not expressly contain a statewide OAG grievance process for federally funded or State-funded housing programs. However, under 42 U.S.C § 1437d, the U.S. Secretary of Housing and Urban Development must by regulation require each public housing agency receiving federal assistance to establish and implement an administrative grievance procedure.

DHCD or a local public housing agency must provide each family that receives assistance under the Statewide Rental Assistance Voucher Program a written description of (1) the family’s obligations under the program; (2) the grounds on which DHCD or the public housing agency may deny or terminate assistance; and (3) the process to request an informal hearing.

State Expenditures: General fund expenditures increase by \$260,519 in fiscal 2027 for additional staff at OAG; this estimate reflects a 90-day start-up delay from the bill’s July 1, 2026 effective date. This estimate reflects the cost of hiring one assistant Attorney General, one investigator/mediator, and one paralegal to conduct intake; investigate and mediate complaints; coordinate with appropriate agencies; enforce violations; and report annually to the General Assembly. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	3.0
Salaries and Fringe Benefits	\$235,825
Operating Expenses	<u>24,694</u>
Total FY 2027 State Expenditures	\$260,519

OAG advises that it can establish the hotline required under the bill with existing resources. Future years reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses and the termination of programming costs.

Local Fiscal Effect: Local governments may incur increased administrative and litigation costs associated with grievance hearings, depending on the volume and complexity of grievances filed under the bill. For example, Prince George’s County advises that because the bill establishes an additional procedural layer to the existing federally mandated grievance hearings and judicial review, administrative and associated litigation costs likely increase (perhaps significantly) for the county. Howard County reports that due to the variety and potential complexity of the grievances, local government expenditure may increase.

Conversely, Baltimore City and Calvert County report that the bill has no impact or can be handled with minimal or existing resources, respectively. Maryland Municipal League advises that municipalities operating programs subject to the bill (which are few) are not affected by the bill. However, if a municipality administers or provides any federally funded or State-assisted housing, the municipality likely incurs *modest* administrative and potential litigation costs.

Small Business Effect: Small business landlords are subject to additional responsibilities and specified liabilities for violations of the bill’s provisions.

Additional Information

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

Designated Cross File: None.

Information Source(s): Baltimore City; Calvert, Howard, and Prince George’s counties; Maryland Municipal League; Office of the Attorney General; Judiciary (Administrative Office of the Courts); Department of Housing and Community Development; Department of Legislative Services

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