HB1239 - Fair Housing and Housing Discrimination - Uploaded by: Charlotte Hoffman



Wren Massey (he/they) Policy Intern

Charlotte Persephone Hoffman, Esq. (they/she) Policy Director charlotte@transmaryland.org

Friday February 28, 2025

The Honorable Marc Korman 251 Taylor House Office Building 6 Bladen Street Annapolis, MD 21401

Testimony of Trans Maryland

IN SUPPORT OF

House Bill #1239: Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect

To the Chair, Vice Chair, and esteemed members of the Environment and Transportation Committee:

Trans Maryland is a multi-racial, multi-gender community power building organization for Maryland's trans community. In addition to our work running the state's largest name and gender marker change program, in which we offer peer-to-peer guidance and financial assistance to Marylanders seeking a name and gender marker change, we also regularly work with transgender and gender diverse Marylanders who are experiencing housing instability. As part of this work, innumerable transgender Marylanders have detailed to us the barriers they face when trying to access housing.

Accessing housing is a huge issue for many people across the state, especially for transgender people who oftentimes experience extra discrimination due to their gender identity and other factors that are common within the LGBTQ+ community. At least 1 in 5 transgender people face housing discrimination and the same percentage have experienced homelessness at least once in their life (Advocates for Trans Equality).

Prohibiting discriminatory practices regardless of the intent is not a new concept in Maryland law. Under <u>Maryland employment law</u>, discriminatory intent is not necessary to determine if a system, policy, or practice harms or disadvantages a protected group of people under disparate impact. It is only logical to extend this understanding to Housing Regulations as the goal of both is the same: to ensure that people in Maryland have equal opportunities for living and thriving within our state. The supposed intent behind discriminatory actions does not change the harm that is caused to already marginalized communities.

An example of disparate impact provided by the <u>Maryland Office of the Attorney General</u> is an employer refusing to hire someone solely due to them having a criminal record. The fact sheet focuses on the impact that hiring bans would negatively impact people of color due to disparities in the criminal justice system, the exact same disparities that impact members of the transgender



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community as about <u>1 in 6 transgender people</u> have been incarcerated at some point. While this example is based on employment law, there is no reason to assume that the exact same processes and biases do not have an impact on housing for marginalized communities.

For these reasons, we urge a favorable report on HB1239.

HB1239_DHCD_SUPPORT.pdf Uploaded by: Chuck Cook



WES MOORE Governor ARUNA MILLER Lt. Governor JACOB R. DAY Secretary JULIA GLANZ Deputy Secretary

DATE: February 28, 2025

BILL NO.: House Bill 1239

TITLE: Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect

COMMITTEE: House Environment and Transportation Committee

Letter of Support

Description of Bill:

HB 1239 authorizes the Department of Housing and Community Development to adopt regulations to carry out its programs and activities related to the agency's obligation to affirmatively further fair housing. The legislation also prohibits a person from acting "in a manner that has a discriminatory effect against a person in the terms, conditions, or privileges of the sale or rental of a dwelling [and provision of services] ... because of race, color, religion, sex, disability, marital status, familial status, sexual orientation, gender identity, national origin, source of income, or military status. This prohibition applies regardless of the stated intent of the accused unless "the action was justified by a legitimate business necessity" and "the person could not have accomplished the legitimate business necessity by less discriminatory means".

Background and Analysis:

DHCD currently has a reporting requirement in the AFFH statute (hcd § 2-402 and § 2-302). This report discusses:

- The efforts by the State, political subdivisions, and housing authorities to promote fair housing choice and racial and economic housing integration, and the results of those efforts, delineated by county; and
- Any assessment of fair housing required under § 3-114(d)(2) of the Land Use Article completed since the most recent report, including any assessment of fair housing completed or revised under the federal Department of Housing and Urban Development's most recently published affirmatively furthering Fair Housing Rule.

Allowing DHCD to write regulations to carry out the AFFH statute will ensure that a priority of the Moore-Miller administration, and a public good for the state, is protected under state law. Regardless of what actions are taken at the federal level, the statutory requirement of DHCD to further fair housing will be strengthened with the ability to write regulations to carry out the agency's obligation.

DHCD's ability to combat discrimination, whether in overcoming patterns of segregation or fostering "inclusive communities that are free from barriers that restrict access to housing and opportunity based on a protected characteristic" is also given clarity with the provision to prohibit discriminatory acts regardless of intent. In specifying that intent is not enough to defend a discriminatory act, the state would be rightfully placing the most protections on the most vulnerable.

DHCD Position

The Department of Housing and Community Development respectfully requests a **favorable** report on HB 1239.





Deni's Testimony-4.pdfUploaded by: Deni Taveras Position: FAV

DENI TAVERAS *Legislative District 47B*Prince George's County

Health and Government Operations Committee

Subcommittees

Government Operations and Health Facilities

Insurance and Pharmaceuticals



The Maryland House of Delegates 6 Bladen Street, Room 206 Annapolis, Maryland 21401 410-841-3101 · 301-858-3101 800-492-7122 Ext. 3101 Deni.Taveras@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect - HB 1239

Testimony of Maryland State Delegate Deni Taveras

Thank you, Chair Korman, Vice Chair Boyce, and esteemed committee members. I am here to request your favorable report on HB 1239, Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect.

Overt discrimination has decreased, but its legacy persists. This bill does not change existing fair housing protections but ensures that Maryland upholds and enforces federal fair housing standards at the state level, preventing any potential rollback from the federal level.

Disparate impact theory is a critical tool in fair housing enforcement, allowing claims to be brought against policies that may appear neutral on their face but result in disproportionate harm to protected groups. This legal standard, upheld by the U.S. Supreme Court case - *Texas Department of Housing and Community Affairs v. Inclusive Communities Project (2015)*, ensures that discriminatory outcomes can be challenged even when there is no overt intent to discriminate.

The U.S. Department of Housing and Urban Development (HUD) has historically used disparate impact analysis to enforce the Fair Housing Act, holding landlords, financial institutions, and local governments accountable for policies that lead to housing discrimination. However, federal protections against adversity have come under increasing threat due to Project 2025 and this bill was created as an additional layer of security. This agenda explicitly calls for dismantling HUD's ability to enforce disparate impact claims, weakening fair housing protections across the country.

Currently, most housing discrimination cases are investigated and adjudicated at the federal level, meaning Marylanders must rely on this administration's commitment to civil rights enforcement. However, the current administration has proven to be unstable. Given the uncertainty surrounding federal protections, it is imperative that Maryland establishes its own legal framework to ensure housing justice is protected regardless of federal policy changes.

HB 1239 does not introduce new fair housing laws; it preserves and strengthens the legal protections already in place to ensure Maryland remains aligned with existing federal law. The bill ensures that constituents remain safe by preserving legal standards at the state level, allowing cases to be processed through state courts rather than relying on federal jurisdiction. This proactive measure strengthens legal protections and provides an added layer of security to prevent potential harm.

In closing, I ask this esteemed committee for your favorable report on HB 1239.

HB1239 Letter of Support - Congressman Glenn Ivey. Uploaded by: Diana Fontaine



JUDICIARY COMMITTEE

COMMITTEE ON
HOMELAND SECURITY

CONGRESS OF THE UNITED STATES HOUSE OF REPRESENTATIVES WASHINGTON, D.C. 20515

February 26, 2025

Delegate Marc Korman Chair Environment and Transportation Committee 251 Taylor House Office Building Annapolis, Maryland 21401

Delegate Regina T. Boyce Vice Chair Environment and Transportation Committee 251 Taylor House Office Building Annapolis, Maryland 21401

Re: Letter of Support for MD HB 1239 - Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect

Dear Chair Korman and Vice Chair Boyce:

I write to express my support for MD HB 1239, Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect. This legislation will help to prevent discriminatory and unlawful housing practices in the State of Maryland.

On September 24, 2020, the Trump administration issued a new rule, "HUD's Implementation of the Fair Housing Act's Disparate Impact Standard." While this rule was overturned by the Biden administration on March 17, 2023, I am concerned that President Trump will reinstate his 2020 rule or a similar policy. HB 1239 is an important measure to ensure Marylanders are protected from the arbitrary rulemaking of changing administrations and safeguard their protections from discriminatory policies on the state level.

Discrimination based on race, gender, national origin, or ethnicity is inconsistent with the Constitution and fundamental American principles of equal protection under the law. Codifying HB1239 is an important step to preserve a workable discriminatory effects standard and promote a housing market free from intentional discrimination and discriminatory effects alike.

Securing stable, affordable, and non-discriminatory housing is a critical step in reducing poverty and achieving socioeconomic equity. I urge the Maryland State House to report HB 1239 favorably out of the Environment and Transportation Committee.

4

Glenn F. Ivey

Member of Congress

Progressive MD. HB1239. FAV. Fair Housing.pdf Uploaded by: Erica Puentes



PROGRESSIVE MARYLAND

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Bill Title: HB 1239 Fair Housing and Housing Discrimination - Regulations, Intent, and

Discriminatory Effect

Position: SUPPORT (FAV)

To: Environment and Transportation Committee

From: Erica Puentes, Progressive Maryland Legislative Coordinator on behalf of Progressive

Maryland

Dear Chair Korman, Vice Chair Boyce and members of the Committee:

Progressive Maryland supports HB1239 Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect. Progressive Maryland is a member based organization led by and focused on working class, Black, and brown communities. Our grassroots advocacy focuses include racial justice and economic justice with the aim of building a more just and equitable Maryland. We have over 125,000 members and supporters across the state, with significant bases in Baltimore City, Prince George's, Montgomery, Frederick, Harford counties, and the Eastern Shore.

In light of this federal administration's civil rights rollbacks, and as threats to federal housing protections loom, Maryland lawmakers must ensure that the state continues to enforce critical federal fair housing protections. If passed, HB1239 will play an essential role in safeguarding equitable access to housing for all Marylanders. It is critical that, as this bill proposes, we codify the federal standard for disparate impact claims into Maryland law. This protection is vital for addressing systemic discrimination in housing. Disparate impact allows legal action against seemingly neutral policies that disproportionately harm protected groups, regardless of intent. It helps combat racial disparities in housing, unfair zoning laws, and discriminatory lending practices. In the absence of strong protections at the federal level, this bill ensures that Marylanders can continue to challenge these discriminatory practices.

Without HB1239, Maryland residents would be vulnerable to a rollback in federal protections, which could leave many without recourse. Progressive Maryland asserts that all residents have the right to live in safe, affordable housing free from discrimination. Our state must take action to ensure that we enforce fair housing standards preventing housing discrimination and promoting inclusive development that encourages racial and economic diversity.

Progressive Maryland urges a favorable report on HB1239 to ensure that every Marylander has access to the housing opportunities they deserve.

HB1239 Fair Housing and Housing Discrimination - R Uploaded by: Jeremy Browning



Bill Title: Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect

Bill Number(s): <u>HB1239</u>

Position: FAVORABLE

Date: February 25, 2025

Submitted by: Jeremy Browning, Director of the Maryland Commission on LGBTQIA+ Affairs

To:

House Environment and Transportation Committee

The Hon. Marc Korman, Chair

The Hon. Regina T. Boyce, Vice Chair

Testimony on behalf of the Maryland Commission on LGBTQIA+ Affairs

The Maryland Commission on LGBTQIA+ Affairs, created by the Maryland General Assembly, works to serve LGBTQIA+ Marylanders by galvanizing community voices, researching and addressing challenges, and advocating for policies that advance equity and inclusion. The Commission envisions a Maryland where all LGBTQIA+ people can live full and authentic lives. As a vital resource, the Commission collaborates with public officials, agencies, and community partners to ensure the rights and dignity of LGBTQIA+ Marylanders are protected and respected.

The Commission is in strong support of House Bill 1239, which strengthens Maryland's commitment to fair housing by ensuring that discriminatory housing practices are addressed not only when intent can be proven but also when such practices have a discriminatory effect on marginalized communities, including LGBTQIA+ individuals.

Housing discrimination remains a persistent barrier for many LGBTQIA+ Marylanders. National and state research has shown that LGBTQIA+ individuals, especially transgender and nonbinary people, face disproportionate rates of housing instability, eviction, and homelessness. Research underscores the urgency of addressing these disparities:

 Trans Maryland's <u>Maryland Trans Survey</u>, which is the most comprehensive study of transgender experiences in the state, found that 13.6% of respondents had been prevented from moving into a rental property or purchasing a home at least once in their lives due to discrimination.

- The National Center for Transgender Equality's (now Advocates for Trans Equality) <u>2022</u>
 <u>U.S. Trans Survey Early Insights Report</u> found that more than one-third (34%) of
 transgender respondents were experiencing poverty, and nearly one-third had
 experienced homelessness in their lifetime.
- The Williams Institute's report, <u>LGBT People and Housing Affordability</u>, <u>Discrimination</u>, <u>and Homelessness</u>, highlights that LGBTQIA+ people have higher rates of poverty, lower rates of homeownership, and higher rates of homelessness compared to non-LGBTQIA+ people.
- True Colors United's report, <u>At the Intersections</u>, reveals that LGBTQ+ youth and young adults are 120% more likely to experience homelessness than their non-LGBTQ+ peers. Service providers estimate that 20-40% of youth experiencing homelessness identify as LGBTQ+.

These statistics underscore the urgent need for legislative action to combat housing discrimination that disproportionately affects transgender and nonbinary individuals. House Bill 1239 addresses this critical issue by clarifying that fair housing protections extend to policies and practices that have a discriminatory impact, even if discriminatory intent is not explicitly stated.

For these reasons, the Commission strongly urges a favorable report on House Bill 1239.

References:

James, S.E., Herman, J.L., Durso, L.E., & Heng-Lehtinen, R. (2024). Early Insights: A Report of the 2022 U.S. Transgender Survey. National Center for Transgender Equality, Washington, DC

Romero, A.P., Goldberg, S.K., & Vasquez, L.A. (2020). LGBT People and Housing Affordability, Discrimination, and Homelessness. The Williams Institute.

Pease, M. V., Taylor, S., Blinder, L., Clements, Z. A., & Galupo, M. P. (2024, March). Initial findings from the Maryland Trans Survey. Trans Maryland. https://transmaryland.org/findings

Price, C., Chanchan, D., Wheeler, C., Seip, N., & Rush, J. (Eds.). (2019). At the Intersections: A collaborative report on LGBTQ youth homelessness. (2nd Edition) True Colors United and the National LGBTQ Task Force.

HB 1239 OAG testimony in support 2025 housing disp Uploaded by: Jonathan Smith

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STATE OF MARYLAND OFFICE OF THE ATTORNEY GENERAL CIVIL RIGHTS DIVISION

ANTHONY G. BROWN

Attorney General

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General Counsel

CHRISTIAN E. BARRERA Chief Operating Officer

Testimony of Jonathan M. Smith, Chief of the Civil Rights Division Before the House Environment and Transportation Committee In Support of House Bill 1239 February 28, 2025

Marylanders are protected from discrimination in housing by state, local, and federal law. It is illegal to deny someone equal access to housing based on a broad range of demographic characteristics, including race, gender, sexuality, gender identity, disability, or familial status. In 2023, the General Assembly extended protections against discrimination to include persons who use a government voucher to pay rent when it enacted the Housing Opportunities Made Equal or "HOME" Act.

Nevertheless, housing discrimination in Maryland continues to persist. Maryland is amongst the most diverse state in the nation, 1 yet it remains highly segregated. 2 Segregation has an impact on every aspect of life. The ability to live where one chooses affects access to nutrition or health care, 3 defines what school a student can attend, limits access to work or transportation, and impacts recreational and cultural opportunities. Housing discrimination also impacts the value of a home based on the race of the owner, which has a serious impact on wealth inequality and the creation of generational wealth. 4

Discrimination has become more subtle. No longer are there signs posted on the lawn of an apartment building that Blacks or Jews or other racial groups are not welcome, and restrictive covenants have long been outlawed. Landlords, persons selling real estate, and homeowner

 $^{^{1}\} https://www.census.gov/library/visualizations/interactive/racial-and-ethnic-diversity-in-the-united-states-2010-and-2020-census.html$

 $^{^2\} Maryland\ Segregation\ Map,\ https://hdpulse.nimhd.nih.gov/data-portal/physical/map?race=00\&race_options=raceall_1\&sex=0\&sex_options=sexboth_1\&age=001\&age_options=ageall_1\&statefips_options=area_states\&demo=01005\&demo_options=res_seg_2\&physicaltopic=100\&physicaltopic_options=physical_2\&statefips=24$

³ Huang SJ, Sehgal NJ (2022) Association of historic redlining and present-day health in Baltimore. PLoS ONE 17(1): e0261028. https://doi.org/10.1371/journal.pone.0261028 (last visited January 24, 2024).

⁴ D. Kamin, Home Appraised With a Black Owner: \$472,000. With A White Owner: \$750,000, New York Times (August 18, 2022); https://www.nytimes.com/2022/08/18/realestate/housing-discrimination-maryland.html (last visited January 28, 2024)

associations have found other ways to exclude persons with demographic characteristics that they deem "undesirable." People in protected classes are not told that they are not welcome because of their race gender, family status, sexuality, gender identity, or disability. Instead, they are told that the property is no longer available, that they must pass an onerous background check, or that the cost is higher than advertised.

Discrimination can also occur when there is a policy that applies generally to all tenants, but has a disparate impact on persons with a protected demographic characteristic. In these circumstances, a housing provider may not intend to discriminate, but the effect is just as significant. A policy for example that imposes a limit on the number of people who can occupy an apartment to match the number of bedrooms, may discriminate based on familial status; a policy prohibiting renting to tenants who have a felony conviction on their record regardless of the offense or how long ago may discriminate against Black tenants because of the race bias built into the criminal legal system; a policy that a tenant is subject to eviction if a crime occurred on the property may discriminate against women domestic violence victims; or a policy against unrelated persons occupying a unit might discriminate against a person with a disability who needs a live-in care giver.

The United States Supreme Court has recognized that under the Fair Housing Act, disparate impact can constitute unlawful discrimination in certain circumstances. The Court created a careful balance between the values of our anti-discrimination laws and the legitimate business interests of housing providers. The courts have adopted a three-part burden shifting test. First, is there a policy of general application that has a discriminatory effect on a protected class? If so, the court moves to the second step of whether there are legitimate business interests being achieved by the policy? And finally, the burden shifts back to the question of whether the policy is the least restrictive mechanism to reasonably achieve the business objective.⁵

Disparate impact theory is under attack, and the threat has increased under the Trump Administration. Long in the cross hairs of conservative groups, Project 2025, which is serving at the roadmap for the Trump Administration, calls for an end to disparate impact theory across the government. Challenges to federal disparate impact regulations have been struck down by some courts and Presidential executive orders regarding diversity, equity, inclusion, and accessibility that sweep so broadly that they may cover efforts to address the discriminatory effects of a policy set the stage for federal regulation to eliminate disparate impact under federal law. During the first Trump Administration, the federal government attempted to limit the use of disparate impact under the Fair Housing Act.

Disparate impact remains the law, however, its future in unknown. As the federal government grows hostile to civil rights enforcement, the importance of Maryland's laws

⁵ Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc., 576 U.S. 519 (2015).

⁶ Heritage Foundation, Mandate for Leadership, Project 2025, https://static.project2025.org/2025 MandateForLeadership FULL.pdf

⁷ Louisiana v. United States, 712 F. Supp. 820 (W.D. La. 2024)

⁸ Center on Budget and Policy Priorities, Reversing Harmful Trump Policies Will Advance Housing Justice, January 26, 2021

increase. While we believe that disparate impact is available under current law, HB 1239 ensures that there is no ambiguity. For these reasons, we urge a favorable report.

HB 1239 - Fair Housing - FAV - REALTORS.pdf Uploaded by: Lisa May



House Bill 1239 – Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect

Position: Support

Maryland REALTORS® supports for HB 1239, to codify current federal standards on disparate impact and affirmatively furthering fair housing into state law.

The federal Affirmatively Furthering Fair Housing Rule recognizes that even practices which are neutral on their face can result in disparate impacts and outcomes for individuals based upon their race, ethnicity, or other protected classes. REALTORS® nationally have supported federal guidelines to address these practices, while also providing some relief when active efforts to avoid discrimination cannot be overcome by a legitimate business reason. HB 1239 addresses both of these current federal requirements.

Maryland REALTORS® supported 2021's HB 90, which required the Department of Housing and Community Development to provide reports to the General Assembly and the Governor on efforts to administer programs that affirmatively further fair housing and prohibit the Department from taking any action that is inconsistent with affirmatively furthering fair housing. We see this bill as a continuation of that important work.

REALTORS® are committed to actively fighting discrimination in their communities and providing every potential homeowner with access to the home of their choice in the neighborhood of their choice. We ask for your support of House Bill 1239.

For more information contact lisa.may@mdrealtor.org or christa.mcgee@mdrealtor.org



HB1239 - Fair Housing and Housing Discrimination –Uploaded by: Maryland Legislative Latino Caucus



MARYLAND LEGISLATIVE LATINO CAUCUS

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ASHANTI MARTINEZ, CHAIR GABRIEL ACEVERO, VICE-CHAIR DENI TAVERAS, TREASURER JOE VOGEL, SECRETARY

JASON A. AVILA GARCIA, EXECUTIVE DIRECTOR

TO: Delegate Marc Korman, Chair

Delegate Regina T. Boyce, Vice Chair

Environment and Transportation Committee Members

FROM: Maryland Legislative Latino Caucus

DATE: February 28, 2025

RE: HB1239 – Fair Housing and Housing Discrimination –

Regulations, Intent, and Discriminatory Effect

<u>The MLLC supports HB1239 – Fair Housing and Housing Discrimination – Regulations, Intent, and Discriminatory Effect</u>

The MLLC is a bipartisan group of Senators and Delegates committed to supporting legislation that improves the lives of Latinos throughout our state. The MLLC is a crucial voice in the development of public policy that uplifts the Latino community and benefits the state of Maryland. Thank you for allowing us the opportunity to express our support of HB1239.

HB1239 seeks to strengthen Maryland's fair housing laws by codifying disparate impact claims and enhancing the state's Affirmatively Furthering Fair Housing (AFFH) framework. The bill empowers the Department of Housing and Community Development to adopt regulations that further fair housing and requires political subdivisions and housing authorities to submit assessments of fair housing as part of their comprehensive plans. It explicitly prohibits housing discrimination based on the discriminatory effect of policies, regardless of intent, and introduces state-level enforcement mechanisms through the Office of the Attorney General and the Maryland Commission on Civil Rights. The proposal addresses persistent segregation and economic disparities in Maryland by ensuring equitable access to housing opportunities and essential resources, combating exclusionary zoning and lending practices, and fostering integrated communities.

This bill directly addresses housing discrimination and systemic barriers that disproportionately affect Latino communities. Many Latino families face challenges in accessing affordable, equitable housing due to discriminatory lending practices, zoning policies, and language barriers that limit their opportunities. This legislation ensures that policies with discriminatory effects, whether intentional or not, are prohibited, providing stronger legal recourse for Latinos facing housing discrimination. Additionally, the bill strengthens Maryland's Affirmatively Furthering Fair Housing (AFFH) framework, which is crucial in combating segregation and ensuring Latino families have access to safe neighborhoods, quality schools, and economic opportunities.²

For these reasons, the Maryland Legislative Latino Caucus respectfully requests a favorable report on HB1239.

¹ Furthering Fair Housing in Maryland One-Pager, Delegate Taveras' Office

² Ibid

HB 1239 PJC FAV.pdf Uploaded by: Matt Hill Position: FAV



C. Matthew Hill

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HB 1239 - Fair Housing and Housing Discrimination – Regulations, Intent, and Discriminatory Effect

Hearing before the House Environment and Transportation Committee, February 28, 2025

Position: SUPPORT (FAV)

The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing. PJC is a member of Renters United Maryland. PJC urges the Committee to issue a Favorable Report on HB 1239.

Due to the historic, structural nature of racism, sexism, and other prejudices, housing discrimination remains a pervasive issue in Maryland – often manifesting through policies that disparately impact protected groups, including limited income families, persons of color, veterans, and persons with disabilities. These policies and practices create significant barriers to equitable housing access and perpetuate systemic inequalities.

HUD's current discriminatory effects regulation provides guidance for individuals who claim that a policy or practice has a discriminatory effect or "adverse impact" in violation of the federal Fair Housing Act. Public Justice Center has brought at least one discriminatory effects complaint to HUD and successfully resolved the matter with a settlement that has increased housing opportunities for thousands of Maryland families. However, current federal initiatives to defund HUD's enforcement capacity and likely repeal HUD's rule on discriminatory effects will decimate this critical tool for enforcing fair housing obligations. Project 2025 aims to reshape federal agencies in a manner that will undermine fair housing protections, making state-level safeguards more crucial than ever.

To be clear: Public Justice Center believes that Maryland's Fair Housing Act, which is modeled on the federal act, should already be interpreted to allow for discriminatory effect claims. In that sense HB 1239 codifies and clarifies existing law. That is HB 1239 spells out the discriminatory effects test already provided for in HUD's regulations into Maryland law, and empowers DHCD to issue additional regulatory guidance. HB 1239 therefore helps clarify that our state laws should be aligned with established federal standards.

HB 1239 will empower the Attorney General's Office and the MD Commission on Civil Rights to effectively oversee and enforce compliance, holding bad actors accountable for discriminatory practices. This proactive approach is essential in safeguarding vulnerable populations and promoting inclusive, diverse communities across Maryland.

Housing is a fundamental human right. It is incumbent upon us to dismantle the structural barriers that impede access to this right. For these reasons, we respectfully ask the committee for a **favorable report on HB 1239.**

HB1239-ET-SUPP.pdfUploaded by: Nina Themelis Position: FAV



Office of Government Relations 88 State Circle Annapolis, Maryland 21401

HB1239

February 28, 2025

TO: Members of the House Environment & Transportation Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: House Bill 1239 – Fair Housing and Housing Discrimination - Regulations, Intent, and

Discriminatory Effect

POSITION: Support

Chair Korman, Vice Chair Boyce, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) <u>supports</u> House Bill (HB) 1239 – Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect.

HB 1239 alters Article – State Government, §20-101 of the Annotated Code of Maryland to provide for additional protections of residents against housing discrimination, meaningfully bolstering the Department of Housing and Community Development's (DHCD) fair housing efforts. Under the language of the legislation, housing discrimination would not only constitute discriminatory practices, but any act that has a discriminatory impact regardless of intent. The bill also expands DHCD's role in clarifying and enforcing fair housing regulations.

According to the Maryland Commission on Civil Rights' (MCCR) annual reports from 2021-2024, MCCR received 2,215 complaints of housing discrimination in those four years. Of those complaints, the overwhelming majority were based on disability. Also of those complaints, MCCR investigated 693 cases - with the number of cases doubling from 2022 to 2024. HB 1239 would allow for an additional avenue for affected residents to prove their complaints of housing discrimination, and by doing so, bolster MCCR and DHCD's work in deterring future housing discrimination while improving access to housing for the members of Maryland's communities who are most at-risk for housing insecurity. Traditionally, fair housing complainants need to prove the *intent* of the act which results in inequitable outcomes in the acquisition, maintenance, or loss of housing; instead, HB 1239 would lower the burden of proof to that of disparate *impact* on an individual of a protected class. From this, it can be reasonably assumed that housing providers will take extra care to ensure they are not discriminating against prospective renters and buyers, either intentionally or unintentionally. This is particularly important to Baltimore City as, according to MCCR's reports, 152 (21.9%) of housing discrimination cases originated from Baltimore City.

For the above stated reasons, the BCA respectfully requests a **favorable** report on House Bill 1239.

2025-02-28-HB1239-Housing Disc-Intent (MCCR FAV).p Uploaded by: Spencer Dove



State of Maryland Commission on Civil Rights

Respect...Integrity...Effective Communication

Governor Wes Moore

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House Bill 1239 - Fair Housing and Housing
Discrimination - Regulations, Intent, and Discriminatory Effect
Position: Support

Dear Chairperson Korman, Vice Chairperson Boyce, and Members of the House Environment & Transportation Committee:

The Maryland Commission on Civil Rights ("MCCR"; "The Commission") is the State agency responsible for enforcing Maryland's laws prohibiting discrimination in employment, housing, public accommodations, state contracts, commercial leasing, and health services based on race, color, religion, sex, age, national origin, marital status, familial status, sexual orientation, gender identity, genetic information, physical and mental disability, source of income, and military status.

House Bill 1239 codifies disparate impact theory, an incredibly valuable tool established by *Griggs v. Duke Power Co.*, 401 U.S. 424 (1971) that has been instrumental in the enforcement of federal, State, and local housing anti-discrimination laws for decades. Disparate impact theory holds that a housing practice is unlawful if it adversely affects one group of protected people more than another despite the practice being applied neutrally and without intent to discriminate. HB1239 carves out an exception for housing practices justified by a legitimate business necessity that do not have other less discriminatory means of accomplishing that necessity.

Because HB1239 codifies existing case law, it will not have an impact on the way MCCR currently enforces Maryland's housing anti-discrimination protections found in Title 20 of the State Government Article. Rather, HB1239 insulates Maryland from potential legal challenges seeking to overturn *Griggs* and, more specifically, the use of disparate impact theory that the U.S. Supreme Court says is a violation of both the Civil Rights Act of 1964 and the Fair Housing Act of 1968.

Historically, approximately 30% of MCCR's annual complaint intakes are housing discrimination matters¹. As we at the Commission have seen over the years, it is becoming increasingly more common for housing providers to engage in covert acts of discrimination as opposed to overt, blatantly discriminatory acts. These housing practices, when taken at face value, appear neutral and harmless. However, when implemented, these practices have

¹ In FY2024, MCCR received 676 total complaints, 247 of which were complaints alleging unlawful housing discrimination. This is a sharp increase from FY2023 when MCCR received 661 total complaints, 167 of which alleged unlawful housing discrimination.

[&]quot;Our vision is to have a State that is free from any trace of unlawful discrimination."

a disproportionately adverse impact against protected classes covered by Maryland law, such as individuals with disabilities and racial minorities². Another increasing trend that's held true for many years, according to MCCR's Annual Reports³, is a housing provider retaliating against a tenant for filing a grievance, such as with a governmental enforcement agency like MCCR, attempting to rectify the alleged discriminatory practice⁴. If disparate impact theory were to be overturned, many victims of unlawful housing discrimination seeking relief would be left without protection by the spirit of Maryland law. HB1239 makes disparate impact theory both the spirit and the letter of the law.

For these reasons, the Maryland Commission on Civil Rights urges a favorable vote on HB1239. Thank you for your time and consideration of the information contained in this letter. MCCR looks forward to the continued opportunity to work with you to promote and improve fair housing and civil rights in Maryland.

² In FY2024, disability, race, and source of income complaints were the top 3 identified protected classes with 294, 96, and 63 allegations, respectively.

³ https://mccr.maryland.gov/Pages/Publications.aspx

⁴ In FY2024, retaliation in housing complaints was alleged 56 times. Harassment, meanwhile, was #2 among all complaints with 109 allegations.

HB1239_CAI_UNFUploaded by: J. Guzzone

Position: UNF



Maryland Legislative Action Committee The Legislative Voice of Maryland Community Association Homeowners

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February 24, 2025

Hon. Marc Korman, Chair Hon. Regina T. Boyce, Vice-Chair

Hon. Delegate Marvin E. Holmes

Environment and Transportation Committee 251 Taylor House Office Building Annapolis, Maryland 21401

RE: HB1239- Fair Housing and Housing Discrimination-Regulations, Intent, and Discriminatory Effect.

Position: Oppose

Dear Chair Korman, Vice-Chair Boyce, Delegate Holmes and Committee Members:

This letter is submitted on behalf of the Maryland Legislative Action Committee ("MD-LAC") of the Community Associations Institute ("CAI"). CAI MD-LAC represents individuals and professionals who reside in or work with condominiums, homeowners' associations, and cooperatives throughout the State of Maryland.

The MD-LAC is writing to voice opposition to HB1239. we oppose this bill as the text is contradictory in its "explanation of intent". Federal Law, specifically, 42 U.S. Code Chapter 45 - FAIR HOUSING already outlines what this bill appears to be trying to do while covering intent, and Maryland's current laws mirror the Federal Law. Adding this bill will only confuse and add conflicts where the current law is clear.

For the foregoing reasons, the MD LAC opposes HB1239 in its entirety. We are available to answer any questions the Committee Members may have. Please feel free to contact any of the

individuals listed: Lisa Harris Jones, CAI MD-LAC lobbyist, at 410 366 1500 or lisa.jones@mdlobbyist.com or Vicki Caine, CAI MD-LAC Chair, at 215 806 9143 or vcaine1@gmail.com. or Susan Saltsman, CAI MD-LAC member, at 410 344-7879 or susan@comfirstmgt.com. Despite our opposition to this Bill, we thank you for your efforts on behalf of community associations and your time in this matter.

Sincerely,

Vicki Caine

Chair, CAI MD-LAC

Susan G Saltsman AMS, CMCA

Member, CAI MD-LAC

cc:

Delegate Marvin Holmes Marvin.holmes@house.state.md.us

CAI is a national organization dedicated to fostering vibrant, competent, harmonious community associations for more than thirty years. Its members include community association volunteer leaders, professional managers, community management firms, and other professionals and companies that provide products and services to common interest associations. As part of its mission, CAI advocates for legislative and regulatory policies that support responsible governance and effective management. As part of this purpose state Legislative Action Committees represent CAI members before state legislatures and agencies on issues such as governance, assessments collection, insurance and construction defects.

MBIA Letter of Opposition HB 1239.pdf Uploaded by: Lori Graf Position: UNF



February 28, 2025

The Honorable Marc Korman Environment & Transportation Committee House Office Building, Room 251, Annapolis, MD, 21401

RE: MBIA Letter of Opposition – HB1239 Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect

Dear Chairman Korman,

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB1239 Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory Effect Permits**. MBIA **opposes** the Act in its current version.

HB1239 would authorize the Department of Housing and Community Development to adopt certain regulations related to affirmatively furthering fair housing and provide that certain discriminatory housing practices may be committed without intent and prohibit a person from acting in a certain manner that has a discriminatory effect against a person related to the sale or rental of a dwelling.

The industry has concerns as the legislation would introduce a new legal standard that allows claims of housing discrimination to be proven even without demonstrating intentional discrimination, meaning that practices with a discriminatory effect can be challenged regardless of the actor's intent. This is overly vague as it would allow a claim to filed on any basis even with no evidence of any discriminatory intent. While we support the sponsor's intent to eliminate any form of discriminatory practices, this is going a step to far as this takes away parameters in which these types of practices fall under.

For these reasons, MBIA respectfully urges the Committee to give this measure **a favorable** report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee

HB1239.DDCouncil.LOI.pdf Uploaded by: Rachel London Position: INFO



Maryland Developmental Disabilities Council

CREATING CHANGE · IMPROVING LIVES

House Environment and Transportation Committee

HB 1239: Fair Housing and Housing Discrimination - Regulations, Intent, and Discriminatory

Effect
February 28, 2025

Letter of Information

The Maryland Developmental Disabilities Council (Council) is an independent, public policy organization that creates change to make it possible for people with developmental disabilities to live the lives they want with the support they need. From this perspective, the Council advocates for policies and programs that make Maryland a place where everyone is able to live where they want.

Maryland is in a housing crisis that affects all communities, but disproportionally amplified for people with disabilities. Individuals with disabilities are more likely to be extremely low-income renters and to experience higher rates of discrimination in housing. Data from the Social Security Administration shows that the 4.1 million people with disabilities ages 18 to 64 who receive Supplemental Security Income (SSI) cannot afford an apartment in *any housing market in the United States*, which puts them at a disadvantage when encountering housing discrimination. Still, data from the U.S. Department of Housing and Urban Development show 45% of all housing complaints report to HUD were disability-based.

We understand the intention of this bill is to allow the Department of Housing and Community Development (the Department) to adopt regulations that advance fair housing protections. This has the potential to benefit people with disabilities, among many other communities. As this work moves forward, it will require thoughtful consideration about the implementation. The best way to do this is by the Department continuing to work with disability advocates in the community.

While investments in housing equity are without question needed, including for people with disabilities, the Council believes that the amount, purpose, and timing of such efforts must take into consideration the needs of all Marylanders with disabilities. Funding for this bill should not be offset by limiting essential funding for other critical needs, most immediately the Developmental Disabilities Administration community services that thousands of Marylanders depend upon.

Contact: Dr. Stephanie Dolamore, Deputy Director, sdolamore@md-council.org

¹ https://www.americanprogress.org/article/recognizing-addressing-housing-insecurity-disabled-renters/