

Senate Judicial Proceedings Committee
Maryland General Assembly
2 East Miller Senate Office Building
Annapolis, Maryland 21401

The logo for the American Economic Liberties Project, featuring a dark blue square with the words "AMERICAN ECONOMIC LIBERTIES PROJECT" in white, uppercase, sans-serif font. To the left of the square are several light blue wavy lines.

AMERICAN
ECONOMIC
LIBERTIES
PROJECT

March 26, 2025

Subject: Testimony in Support of HB 1257

Dear Chair Smith Jr., Vice Chair Waldstreicher, and Members of the Committee,

My name is Pat Garofalo, and I am the director of state and local policy at the American Economic Liberties Project, a research and advocacy organization dedicated to reducing the power dominant corporations wield over our economy and democracy, in pursuit of economic liberty for all. For the last two years, I have organized and led the End Junk Fees campaign, an effort aimed at urging state legislators to eliminate mandatory, undisclosed, anti-competitive fees from the American economy. I write today in support of HB 1257.

Eliminating junk fees in the rental housing industry – which are mandatory, undisclosed charges that renters can’t avoid – is a crucial step toward safeguarding Maryland residents from exploitative pricing tactics. While hidden and deceptive fees have become pervasive in a variety of industries, including hotel reservations, cable and phone bills, storage unit rentals, food delivery services and more, they are especially pernicious when it comes to housing, the largest single expense that most families face every month.

Unfair, anti-competitive fees cost American renters hundreds of millions of dollars annually, and are particularly harmful to low-income renters.¹ They can destroy an individual’s or family’s budget, making them unable to cover the cost of other necessities. And they are increasingly ubiquitous, as rental housing markets are consolidated into fewer and fewer hands: In a National Consumer Law Center survey, more than two-thirds of renters reported being subjected to

¹ “What the Heck, Dude!: How States Can Fight Rental Housing Junk Fees,” National Consumer Law Center, Sept. 2024. https://www.nclc.org/wp-content/uploads/2024/09/202409_Report_What-the-Heck-Dude.pdf

processing or administrative fees², for example, and research also shows that renters experience more undisclosed fees at large, corporate-owned apartment buildings.³

By approving HB 1257, you can ensure that your constituents have access to transparent pricing information, allowing them to make informed decisions about their housing through honest comparison shopping. Renters should know the exact price they are going to be expected to pay every month, so they can accurately budget and choose the housing option that is right for them.

Upfront pricing practices also promote healthy competition among landlords. Those landlords who currently choose to use transparent pricing practices shouldn't be harmed by appearing artificially more expensive than those who rely on backloaded junk fees. Our economic system does not work without fair price discovery and genuine price competition, which this bill promotes, and which the current market does not adequately provide.

To be clear, this legislation only covers *mandatory fees* that the renter can not avoid. It does not tell landlords what price they can charge, and it does not prevent the use of optional add-ons that the renter affirmatively chooses, such as parking or pet fees. It simply says that if a fee is going to be included in the rent, no-matter what, then that fee must be disclosed, up front, so renters know the actual price they are agreeing to pay for their home or apartment. It's a simple concept with significant benefits for your constituents.

According to extensive polling, done by my organization and others, the public overwhelmingly supports measures to ban mandatory, undisclosed fees, and state legislators across the country are working toward that end. Approving HB 1257 and having it signed into law would be an excellent way for Maryland to join the fight.

Thank you for your time,

² "Too Damn High: How Junk Fees Add to Skyrocketing Rents," National Consumer Law Center, March 2023. <https://www.nclc.org/wp-content/uploads/2023/03/JunkFees-Rpt.pdf>

³ Fields, Desiree, and Manon Vergerio, "Corporate landlords and market power: What does the single-family rental boom mean for our housing future?" UC Berkeley. <https://escholarship.org/uc/item/07d6445s>; Vogell, Heather, "When Private Equity Becomes Your Landlord," ProPublica, Feb. 7, 2022. <https://www.propublica.org/article/when-private-equity-becomes-your-landlord>

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