



Bill Title: Senate Bill 677, Human Relations - Discrimination in Housing - Income-Based Housing Subsidies

Committee: Senate Judicial Proceedings Committee

Date: February 18, 2025

Position: **Unfavorable**

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 677 seeks to prevent discriminatory housing practices in Maryland by prohibiting landlords from refusing to rent to prospective tenants who pay rent with the assistance of an income-based housing subsidy. The bill defines an income-based housing subsidy as recurring monetary assistance from a governmental entity or non-profit organization intended to defray a tenant's rent obligation.

A housing provider still needs to screen for income, even if a resident receives a housing subsidy, for several reasons.

- Non-Subsidized Portion: One primary concern is the ability to cover the non-subsidized portion of the rent. Housing subsidies typically only cover a portion of the total rent, leaving the resident responsible for paying the remainder. A housing provider needs to ensure the resident has sufficient income to meet this obligation.
- Other Costs: Beyond rent, residents must also afford other housing-related costs, such as utilities, renter's insurance, and maintenance fees, if applicable. Screening for income helps verify financial stability and ensures that tenants can handle these additional expenses.
- Changing Financial Situation: Furthermore, risk mitigation is an important factor. Even with a subsidy, a resident's financial situation may change due to job loss or failure to comply with the subsidy program's requirements, which could lead to a loss of assistance and difficulty paying rent.
- Consistency in Tenant Screening: Another reason for income screening is consistency in tenant screening policies. Many housing providers apply the same income criteria to all applicants to ensure a fair and standardized process, helping to avoid accusations of favoritism or discrimination.

Housing providers play a critical role in ensuring that residents can afford their housing costs. Housing providers essentially have a fiduciary responsibility to ensure that prospective residents



can afford their portion of the rent, along with utilities. This is not only a business imperative, but also a necessary step to prevent evictions and the associated social and economic costs. By precluding housing providers from screening residents based on their income, credit score, or credit history, Senate Bill 677 would undermine this critical process. Without the ability to assess a prospective resident's financial stability, housing providers would be forced to take on undue risk, which could lead to increased evictions and a destabilization of the rental market.

MMHA understands that Sponsor's intent to address the issue of housing discrimination, and we applaud their efforts. However, this bill presents potential unintended consequences and MMHA urges that the Committee reject this bill in its current form.

For these reasons, the Maryland Multi-Housing Association respectfully requests an unfavorable report on Senate Bill 677.

Please contact Aaron J. Greenfield at 410.446.1992 if you have any questions.