



Bill Title: House Bill 1436, Office of the Attorney General - Federal- and State-Assisted Housing Programs - Grievance Process

Committee: House Economic Matters Committee

Date: March 12, 2026

Position: Unfavorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA) and the Apartment and Office Building Association of Metropolitan Washington (AOBA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 214,000 rental housing homes in over 1015 apartment communities. Our members house over 571,000 residents of the State of Maryland. MMHA also represents over 270 associate member companies who supply goods and services to the multi-housing industry. AOBA is a non-profit trade association representing more than 167,000 apartment units in Montgomery and Prince George’s Counties along with 23 million square feet in commercial office space.

Since every property that accepts a voucher is swept into the bill’s definition of “provider,” House Bill 1436 converts ordinary, private-market landlords into subjects of a mandatory attorney-general grievance, mediation, and enforcement regime that was clearly designed for large public-housing authorities and their residents. The bill is therefore over-broad, operationally unworkable, and legally hazardous to the very housing stock it purports to protect.

MMHA and AOBA share the following concerns:

1. Source-of-Income Laws Already Require Providers to Accept Vouchers; HB 1436 Penalizes Them for Complying: Maryland became the twentieth state to outlaw source of-income discrimination when the General Assembly enacted SB 530 (2020). That statute prohibits a landlord from refusing to rent to an applicant solely because the rent will be paid “in whole or in part” by a housing subsidy, including the federal Housing Choice Voucher (HCV) program. The law’s intended effect was to open more market-rate units to voucher holders. Its practical effect is that every conventional apartment community that wishes to remain compliant must now accept vouchers.

By defining “assisted housing program” to include “the federal Housing Choice Voucher Program” (§ 5.5-101(b)(2)(ii)) and “provider” to include “a landlord” (§ 5.5-101(e)(1)(i)), HB 1436 piggy-backs on that mandate and ropes every private owner who follows the law into a new attorney-general enforcement apparatus. In other words, the State first forced private owners into the voucher business; now it proposes to treat them as if they were the Anne Arundel or Baltimore City Housing Authority.

2. Operational Impossibility for Private-Market Landlords: Public-housing authorities have



on-site management, dedicated compliance staff, and access to HUD-funded grievance personnel. Private owners do not. The bill nevertheless requires every “provider” to:

- Attach the Attorney General’s grievance notice to every lease (§ 5.5-103(c)(1)(I));
- Re-distribute the notice annually to every existing voucher household (§ 5.5-103(c)(1)(II));
- Submit to investigation and mediation before the Office of the Attorney General (“OAG”) on any complaint—no matter how lacking in merit (§ 5.5-103(b)); and
- “Take all necessary measures ... to make the client whole” if any violation of state or federal housing law is found (§ 5.5-104(b))—a directive that includes neither standard of proof nor damages cap.

Given the approximation of 644 garden-style properties in Maryland, and a single garden-style property can house 40–100 voucher holders, the annual notice burden alone will require owners to mail or hand-deliver thousands of pieces of paper with no appropriation for administrative cost. More troubling, the bill provides no safe-harbor or de minimis exception: a grievance may be filed for “inaction concerning the client’s housing conditions” (§ 5.5-103(a)(1)(I))—language broad enough to invite complaints over burnt-out light bulbs or delayed work-order items already subject to routine state and local enforcement.

3. Duplicative Enforcement and Litigation Magnet: Maryland already has:

- The Consumer Protection Division (Commercial Law Art. § 13-101 et seq.)—which can and does investigate “unfair or deceptive” practices;
- Local landlord-tenant commissions and code-enforcement offices in every county;
- HUD’s existing HCV grievance and informal hearing process (24 C.F.R. § 982.555);
- The Maryland Attorney General’s separate authority under the Maryland Consumer Protection Act and the Maryland Fair Housing Act; and
- A fully funded Legal Aid Bureau with statutory right of entry (Cts. & Jud. Proc. § 3-901).

HB 1436 layers yet another administrative and judicial track on top of these existing forums, while expressly authorizing the OAG to sue for “injunctive relief, damages, or other relief” (§ 5.5-104(a)). The bill therefore invites duplicate and conflicting outcomes, treble litigation exposure, and the very “regulatory whiplash” that the U.S. Supreme Court cautioned against in City of Arlington v. FCC (2013).

4. Disparate Impact on Small “Mom-and-Pop” Owners: Roughly 38 percent of Maryland’s rental stock is owned by individuals or limited-liability companies with fewer than five units. Unlike institutional owners, these landlords do not have in-house counsel, compliance software, or the volume to amortize new mandatory processes. A single drawn-out grievance—even if ultimately groundless—can consume an entire year’s net operating income. The chilling effect is



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APARTMENT AND OFFICE BUILDING ASSOCIATION
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obvious: small owners will simply withdraw from the voucher market, which they are not permitted to do, tightening supply at the exact moment the State is trying to expand it.

For these reasons, the Maryland Multi-Housing Association and the Apartment and Office Building Association respectfully requests an unfavorable report on House Bill 1436.

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