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## **SB 335 – Human Relations – Discrimination in Housing – Income Based Housing Subsidies**

**Hearing Before the Economic Matters Committee  
April 2, 2026**

### **Position: FAVORABLE WITH AMENDMENT**

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To the Honorable Members of the Economic Matters Committee:

[Community Legal Services](#) (CLS) is a nonprofit legal services organization providing free legal services to income-eligible Marylanders. CLS is a designated Access to Counsel in Evictions (ACE) provider, through which CLS has assisted thousands of tenants in housing matters, with a goal of helping our clients access and maintain housing stability. **We urge a favorable report on SB 335 with the addition of the clarifying amendment described below to ensure the language of the bill supports the intent of the bill.**

Families who use Housing Choice Vouchers and other income-based subsidies are often screened out of housing because of credit or income requirements even though most of their rent is paid by the subsidy and their portion is capped at an affordable level. That undermines the very purpose of housing assistance.

#### **Tenant’s Share of Rent is Set at an Affordable Amount by the Housing Authority**

Housing Authorities administering housing voucher programs verify tenant income, determine affordability and set the tenant share of rent, and adjust the tenant share of rent when the tenant’s income changes. The tenant’s “share of rent” is set at an affordable rate (generally one-third of the tenant’s income), and the housing authority pays the balance. If the tenant’s income goes down, their share of rent goes down in proportion to their decrease in income, and the housing authority’s share goes up to make up the difference.

#### **Utility Costs are Included in the Tenant’s Share of Rent**

Housing authorities include utility costs as a factor in determining an affordable share of rent for the tenant by including a “utility allowance” in the affordability calculation – essentially, “rent” includes utility costs, so when the housing authority sets the rent at an affordable rate, payment for utilities is already baked into the total rent assessed to the tenant, the total of which is capped at one-third of tenant income.

## **Why a Clarifying Amendment is Needed**

As currently written, SB 335 fails to address the fact that utility costs are already factored into ensuring that the tenant's share of rent is affordable. Without addressing the fact that utility costs are included in the calculation of the tenant's share of rent, utility costs could be mis-used as an additional cost to the tenant, making the tenant's ability to pay "look" less viable than it actually is.

## **Proposed Amendment**

To ensure that screening processes for voucher holders take into account that utilities are included in the affordability calculation by the housing authority, CLS urges that the Committee add the following clarifying language:

“Notwithstanding any other provision of this section, landlords shall not evaluate whether a tenant has sufficient income to pay utilities if the tenant has an income-based housing subsidy and the entity issuing the income-based housing subsidy includes an allowance for anticipated utility costs in calculating the tenant's portion of the rent and utilities.”

This amendment would align utility affordability assessments with existing, federally required PHA utility allowance frameworks, reduce the risk of unintended exclusion caused by undefined or speculative utility calculations, and support predictable administration and enforcement of SB 335.

## **We Urge A Favorable Report with the Above Amendment**

SB 335 maintains landlords' ability to screen tenants, while ensuring that the criteria used are accurate, relevant, and consistent with how housing subsidies work to ensure affordability for the tenant and payment to the landlord. It will reduce unnecessary denials, shorten housing searches, and help more Maryland families secure safe, stable housing.

We respectfully urge a favorable report with the amendment above added to the bill. Please feel free to reach out to Lisa Marie Sarro, Esq., at [Sarro@clspgc.org](mailto:Sarro@clspgc.org) with any questions.