



**Executive Director**  
Jessica A. Quincosa, Esq.

**Deputy Director**  
Kayla Williams-Campbell, Esq.

**Director of Litigation & Advocacy**  
Lisa Sarro, Esq.

**HB 573 – Fair Housing and Housing Discrimination – Regulations,  
Intent, and Discriminatory Effect**

**Hearing of the Economic Matters Committee**

**February 19, 2026**

**Position: Favorable**

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[Community Legal Services](#) (CLS) urges a favorable report on House Bill 573, which reaffirms a core principle of fair housing law: discrimination does not need to be intentional to be unlawful.

CLS provides eviction prevention and housing stability legal services to low-income Marylanders across multiple jurisdictions with a goal of ensuring access to justice for individuals and families whose interests are too often under-represented in the legal system. We represent thousands of renters each year, and we represent tenants every day who face barriers to safe, stable housing, not because of overtly discriminatory statements or actions, but because of policies and practices that disproportionately harm protected classes. The doctrine of disparate impact is an essential tool in identifying and remedying those harms. Yet, at the federal level, the doctrine is being all but eliminated.

For decades, federal law, including guidance from the U.S. Department of Housing and Urban Development (HUD), has recognized that facially neutral policies – policies that are not intended to discriminate against protected classes or that do not clearly appear to be discriminatory - can violate fair housing laws if they result in unjustified discriminatory effects. The result of such policies is called “disparate impact” discrimination and, for years, courts have affirmed that disparate impact claims are critical to enforcing the Fair Housing Act’s promise of equal housing opportunity. **House Bill 573 simply codifies into Maryland law this long-standing guidance and interpretation of federal law.**

This clarification is particularly urgent at a time when federal enforcement priorities are shifting and there are efforts to weaken or eliminate viable causes of action for discrimination claims. Without clear statutory authority at the State level, Maryland residents risk losing meaningful protection against policies where the discriminatory impact of policies is clear, simply because discriminatory intent cannot be proven – policies that exclude families with children, disproportionately screen out applicants of color, and other facially “neutral” policies that in fact harm protected populations by unintentionally entrenching segregation and inequality.

Discrimination today is rarely explicit. It is embedded in systems and standardized policies and is often rooted in vestiges of historical racism and ways of thinking that persist without basis in fact or justifiable business operations. In our practice, we routinely see screening criteria, occupancy limits, criminal background policies, and leasing and lending practices that appear neutral on their face but operate to disproportionately harm communities of color, people with disabilities, and other protected groups. Proving overt intent to discriminate in such cases is often impossible, despite the clearly most negatively impacting members of protected classes. Disparate impact analysis allows courts to examine whether such policies are justified by legitimate business necessity or whether less discriminatory alternatives exist.

House Bill 573 also reinforces Maryland’s commitment to the notion that affirmatively furthering fair housing is an obligation, not merely an aspiration. It is a recognition that dismantling entrenched housing inequities requires proactive effort. **By preserving disparate impact as a viable cause of action through codification in Maryland law, the General Assembly ensures that Maryland remains a leader in advancing fair housing protections, even as federal safeguards erode.**

Fair housing laws were enacted to address both intentional discrimination and structural inequality. Weakening one prong undermines the whole. HB 573 safeguards Marylanders’ ability to challenge unjustified discriminatory effects and ensures that our State’s commitment to fair housing law remains robust and enforceable.

For these reasons, Community Legal Services respectfully requests a favorable report on House Bill 573.

Please reach out to Executive Director, Jessica Quincosa and Director of Litigation and Advocacy, Lisa Sarro with questions ([quincosa@clspgc.org](mailto:quincosa@clspgc.org) and [sarro@clspgc.org](mailto:sarro@clspgc.org), respectively).