



House Bill 313

Committee: Economic Matters

Bill: House Bill 313 - Landlord and Tenant – Residential Housing – Rental Applications and Tenant Screening

Date: February 5th, 2026

Position: Unfavorable

The Maryland Multi-Housing Association (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.

House Bill 313 (“HB 313”) would prohibit a landlord from collecting an application fee or a screening fee unless the rental is available or will become available within 30 days of receiving the application. HB 313 also prohibits a landlord from taking certain adverse actions against a prospective tenant unless a landlord provides certain written notice to the prospective tenant. Additionally, this bill prohibits housing providers from considering proceedings as defined when evaluating the rental history of prospective tenants.

MMHA has serious concerns with HB 313 for the following reasons:

I. HB 313 is disconnected from standard leasing practices and would drastically complicate how prospective tenants apply for housing.

HB 313 prohibits a landlord from collecting an application fee or screening fee unless the unit is “available for lease”. Does that mean it is vacant and has been made rent ready? With no definition of “available for lease” how can a landlord compile with current local laws or leases/contracts that have already been executed? This restriction is arbitrary and would be nonsensical in practice. As is the standard for the rental industry, units can begin being pre-leased months before they are available for move-in. In Maryland, leases may require more than 30 days for the tenant to provide notice before ending a tenancy (ex. except in Baltimore City, year-to-year tenancies require tenants to give at least 90 days written notice before terminating the tenancy). Many tenants voluntarily inform their housing providers much earlier of their intent to non-renew at the end of the lease. Barring unforeseen situations, this buffer allows housing providers to reasonably expect when a unit is to come to market.

A prospective tenant may legitimately wish to secure a future unit (ex. due to job relocation or lease expiration), and property managers and leasing professionals routinely accept applications for units becoming available beyond 30 days. **With the inability to take an application or screening fee until 30 days or less from when a unit may become available, in practice, leasing professionals will be forced to turn away applications that come in before the arbitrary 30 day mark.** This will undermine the ability of tenants to secure housing in time for planned moves, as well as harm housing providers’ ability to effectively plan out and fill unit vacancies.

II. HB 313 de facto prohibits housing providers from considering chronic lateness or active delinquency of rent when evaluating prospective tenants.

For housing providers, the fundamental reason for screening prospective tenants is to be able to perform a risk assessment on whether the prospective tenant will reliably pay on time. One of the leading indicators as to whether a prospect will pay on time is by looking at their rental history to see if a previous housing provider has had to file a failure to pay rent (“FTPR”) action on the prospect in the past.

For those who have a history of chronically paying rent past due, multiple FTPRs may appear on their record that were later dropped before a trial due to late payment. Additionally, a pending FTPR action may be ongoing when an applicant comes and applies before a new housing provider. **In both cases, under HB 313, the housing provider would be both prohibited and held liable from considering either scenario when making an evaluation of an applicant.** This would effectively nullify a housing providers’ ability from considering chronic lateness or active delinquency of rent in their risk assessments – leaving housing providers vulnerable and exposed to prospective tenants who may either be acting in bad faith or who simply may be unable to afford the unit. **As a result, HB 313 could lead to higher delinquency rates in apartment communities, effectively compelling housing providers to either increase rents to make up for the loss of revenue or dissuading housing providers from accepting more risky tenants altogether.**

III. HB 313 creates additional legalistic hurdles and liabilities for housing providers to continue to do business in the state.

“Adverse actions”, as defined by HB 313, now must formally provided to an applicant in a way that would delay getting prospective tenants housed. While there is nothing inherently wrong with voluntarily providing such declarations, the new written notice requirements will force property managers to train and scrutinize leasing professionals beyond what can reasonably be expected from the industry. With the constant fear of being sued for conducting standard industry business practices, both brought on from public officials and private practice attorneys alike, leasing decisions today that may be prolonged and delayed by this additional level of scrutiny.

Additionally, as housing providers may rely on 3rd party actors to assist them in calculating these risk assessments, it may be difficult for the housing providers to definitively affirm that certain records were not considered by the 3rd party actors when they are making their own assessments and recommendations – all the while with the legal onus remaining on the housing provider.

In summary, HB 313 would artificially limit the timeframe in which an applicant may be considered for a rental unit, restrict a housing provider’s ability to conduct a practical and responsible risk assessment, and impose yet another layer of legal scrutiny on one of the most heavily regulated industries in the State. At the same time, housing providers are being asked by state and local officials to stabilize rents, to house more Marylanders, and preserve and expand housing supply in a state that continues to face a shortage of approximately 96,000 housing units. **These goals are fundamentally in conflict with one another - as this bill could lead to less Marylanders getting housed, increasing rents, and disinvestment from housing providers in Maryland.**

For those reasons, MMHA urges an unfavorable report on HB313.

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