



SB 274 –Fair Housing and Housing Discrimination – Regulations, Intent, and Discriminatory Effect
Position: Favorable With Amendments

April 2, 2026

The Honorable Kris Valdarrama, Chair
House Economic Matters Committee
Room 250, Taylor House Office Building
Annapolis, Maryland 21401
cc: Members, Economic Matters Committee

Chair Valdarrama and Members of the Committee:

Economic Action Maryland Fund is a statewide coalition of individuals and organizations that advances economic rights, equity, and housing justice for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

Economic Action Maryland Fund writes in strong support of SB 274. SB274, if passed, will strengthen fair housing law in Maryland by expanding the definition of discrimination to include the effect of a policy to discriminate not just the intent. **We do request three technical, corrective amendments to the version that passed the Senate:**

1. Amendment One: Remove the “or” found on page 5 line 6 and the “or” found on page 5 line 8.

The amendments adding “or” to the phrase “substantial, legitimate, or nondiscriminatory” in SB 274 create conflict with federal law and could lead to Maryland permitting a wider range of discriminatory housing policies.

2. Amendment Two: Add “regardless of intent” on page 3 line 24 after “status.”

It is necessary to add the language “regardless of intent” to clarify that SB 274 does not merely permit consideration of discriminatory effects to prove intent but prohibits unjustified policies that cause discriminatory effects regardless of whether there is proof of intent. For decades, the law has prohibited disparate impact discrimination, which occurs when a policy or practice disproportionately harms a group of people with a legally-protected characteristic regardless of intent and the policy is not justified by a substantial, legitimate, nondiscriminatory reason or a less discriminatory policy is available

3. Amendment Three: Adding “OR CREATES, INCREASES, REINFORCES, OR PERPETUATES SEGREGATED HOUSING PATTERNS” back into the text.

The definition of “discriminatory effect” in HB 573 is the same definition in HUD’s 20136 and 2023 regulations. It reflects HUD’s decades of expertise interpreting and enforcing the federal Fair Housing Act’s standards and is grounded in the U.S. Supreme Court’s interpretation of the Act in *Texas Dep’t of Housing & Community Affairs v. Inclusive Communities Project, Inc.*

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The Maryland Supreme Court reiterated this finding in *Hare v. David S. Brown Enterprises, Ltd.* AOBA and MMHA have not pointed out any issues with existing enforcement standards in their testimony. Removing this portion of the definition would weaken protections for Marylanders and create conflicts between federal and state law.

SB274 is critically needed

At the federal level, the staffing and funding of the Department of Housing and Urban Development (HUD) has been slashed. As a result, federal investigation and enforcement of fair housing complaints have fallen. Furthermore, guidance established during the Obama administration that mirror the provisions of this law were abolished this past November. Creating similar protections at the state level will ensure this guidance can remain in place. **The amendments listed above are critical to ensure Maryland law continues to conform to existing federal guidelines and current practice.**

A recent report found that housing discrimination complaints have increased across the country while the ability to resolve complaints at the federal level has sharply fallen. Disability-related discrimination and discrimination based on race and national origin are the largest types of fair housing complaints¹. Against this backdrop, it is more important than ever that Maryland strengthen its fair housing regulations.

A facially neutral policy may have a disproportional effect on a protected class. With the rapid embrace of new technologies and AI, there may be unintended consequences that harm a group of Marylanders. SB274 allows the state to root out vestiges of past discrimination and have the tools needed to protect everyday Marylanders from discrimination in housing.

Importantly, SB274 includes a three-pronged test which protects individuals and businesses from being in violation of the law if they can show that there was no discriminatory intent, it was necessary to meet legitimate aims, and it was the least discriminatory method available to achieve these goals. This provision provides a safeguard to ensure that the focus remains on bad actors, rather than those pursuing legitimate interests.

Passing SB274 will bring Maryland in line with New York, New Jersey, Illinois, Minnesota, Colorado, and California who have enacted similar legislation.

As tenants and prospective homebuyers grapple with the high costs of rentals and home purchases, rooting out discrimination is more critical than ever so that individuals can live in affordable, accessible housing in a neighborhood of their choice. For all these reasons, we support SB274 and urge a favorable report with the corrective amendments noted above.

Sincerely, Marceline White, Executive Director

¹ <https://www.housingwire.com/articles/fair-housing-complaints-mount-amid-rhud-staffing-cuts/>
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