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

**Hearing before the House Economic Matters Committee on April 2, 2026**

**Position: Favorable with Amendments**

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The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing and their rights to fair and equal treatment by Maryland’s landlord-tenant laws, courts, and agencies. The PJC advocates for systemic change to build a just society. PJC has represented many subsidized renters who are consistently denied housing because of unfair, discriminatory income and credit history tests – even in circumstances where their subsidy pays for their full rent.

**PJC supports SB 335 but requests a clarifying amendment to ensure the bill’s income verification provisions related to utilities are clear, workable, and aligned with existing housing market practices.**

SB 335 responds to a clear and persistent problem: although Maryland prohibits source-of-income discrimination, families using income-based housing subsidies continue to face screening barriers that do not reflect their actual rent risk. Its companion legislation passed by this committee, HB 315, takes a balanced and evidence-based approach by prohibiting denial based on a credit score or pre-subsidy credit events that do not reflect current financial circumstances while explicitly preserving landlords’ ability to verify that tenants can pay their required share of rent. **Unfortunately, SB 335 was amended to include an open-ended, confusing provision that will allow landlords to verify that subsidized tenants have sufficient income to pay utilities without considering that public housing authorities already include utility costs in calculating a voucher tenant’s share of the rent.**

### **The Issue with Utility-Related Income Verification**

While utility affordability is a legitimate consideration, the **current bill language does not specify how utility affordability should be assessed for tenants receiving income-based housing subsidies.**

This lack of specificity raises implementation concerns, particularly given that:

- The Housing Choice Voucher program already incorporates tenant-paid utilities into affordability determinations through Public Housing Authority (PHA) utility allowances, which

are required by federal regulation<sup>1</sup> and calculated based on local utility rates, reviewed regularly, and applied uniformly;

- PHAs are required to ensure that a household’s combined rent and utility contribution remains affordable, typically capped at 30 percent of adjusted household income; and
- In the general rental market, landlords do not typically apply standalone or predictive income tests specific to utilities.

Absent clarification, utility verification could be applied through discretionary or nonstandard methodologies, potentially resulting in inconsistent application across properties and jurisdictions. Without guardrails, utility-related income verification could function as a de facto screening criterion that is more restrictive than prevailing market practices and inconsistent with the structure of income-based subsidies.

### **Requested Clarifying Amendment**

To address these concerns while preserving landlord screening authority, we recommend a limited statutory clarification addressing how utility affordability is evaluated for tenants with income-based housing subsidies. We propose adding 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 respectfully request a **favorable report on SB 335 with the above proposed amendment.**

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<sup>1</sup> **Code of Federal Regulations.** 24 CFR 982.517. <https://www.ecfr.gov/current/title-24/part-982/section-982.517>