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April 2, 2026

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

Re: SB 335 Human Relations – Discrimination in Housing – Income-Based Housing Subsidies

Position: Favorable with Amendments

Chair Valderrama, Vice Chair Charkoudian, and Members of the Committee:

On behalf of the Baltimore Regional Housing Partnership, I submit this testimony in **support of SB 335 while respectfully requesting a narrow 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 and confusing allowance for rental housing providers to verify subsidized tenants have sufficient income to cover the costs of utilities.

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 regulation¹ 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, BRHP recommends a limited statutory clarification addressing how utility affordability is evaluated for tenants with income-based housing subsidies.

Specifically, we propose adding clarifying language that:

Notwithstanding any other provision of this section, landlords shall not evaluate whether a tenant has sufficient income to pay utilities if the tenant

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

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.

SB 335 represents a targeted update to tenant screening practices that better reflects how income-based housing subsidies function in practice. Incorporating a narrow clarification regarding utility-related income verification would strengthen the bill's internal consistency and reduce unnecessary implementation risk while preserving legitimate landlord interests.

For these reasons, I respectfully request a **favorable report on SB 335 with the above proposed amendment.**

Sincerely,

Adria Crutchfield
Executive Director