

TO: House Economic Matters Committee  
FROM: Dhara G. Patel  
DATE: 4 March 2026  
RE: Written Testimony for HB 1456

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## **QUESTION PRESENTED**

Should Maryland require online rental marketplaces to protect renters and prevent fraud by verifying rental listings, while still complying with the First Amendment and 47 U.S.C. § 230?

## **BRIEF ANSWER**

Maryland should enact House Bill 1456 (HB 1456) to protect consumers from fraudulent rental listings. States commonly require online platforms to verify aspects of a user's identity and authorization when handling activities such as political advertising, telehealth services, age-restricted content, and financial transactions. Courts have generally upheld these verification requirements when they focus on a platform's own operations rather than user speech. For the same reason, HB 1456 is likely to withstand both First Amendment challenges and challenges under Section 230 of the Communications Decency Act, 47 U.S.C. § 230. Verification is both technologically and operationally feasible. Platforms such as Airbnb and Zillow already verify users' identities before allowing them to post listings. Similar legislation, such as New York Assembly Bill A10669, reflects a broader legislative movement recognizing the need for online platform verification to protect consumers.

## **DISCUSSION**

### *I. States Regularly Require Platform Verification in Comparable Contexts*

Maryland is not breaking new ground by requiring verification. States already impose verification requirements in multiple contexts where fraud or public harm is a concern.

a. Political Advertising

Political speech, one of the most protected forms of expression, has been subject to state-imposed verification requirements. For example, Washington requires commercial advertisers to preserve and disclose election-related advertising records. In *Washington State v. META Platforms, Inc.*,<sup>1</sup> a trial court upheld Washington’s disclosure requirements against constitutional challenge. Moreover, platforms themselves already implement similar safeguards. Facebook verifies U.S. residency for political advertisers and maintains a public archive of political ads<sup>2</sup>, and Google requires registration and identification of an authorized representative.<sup>3</sup> If states may constitutionally require verification in political advertising, arguably one of the most sensitive speech contexts, they may certainly require reasonable verification measures for commercial rental listings.

b. Age-Restricted Content

Several states require age verification to prevent minors from accessing online adult content. In *Free Speech Coalition, Inc. v. Paxton*<sup>4</sup>, the court upheld Texas’s age-verification law, emphasizing that states have longstanding authority to protect minors.<sup>5</sup> The court rejected the argument that adults have a constitutional right to

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<sup>1</sup> *Meta Platforms*, 33 Wash. App. 2d 138, 560 P.3d 217 (2024) (imposing a \$25 million penalty for Meta’s failure to comply with state political advertising disclosure requirements from 2018–2021; holding the law constitutional), review pending.

<sup>2</sup> Joe Fuld, *What do new state laws on political digital ads mean for you?*, THE CAMPAIGN WORKSHOP (Nov. 1, 2018) <https://www.thecampaignworkshop.com/political-digital-ads-laws>.

<sup>3</sup> *Id.*

<sup>4</sup> 606 U.S. 461(2025).

<sup>5</sup> *Id.* at 478.

avoid reasonable age verification,<sup>6</sup> comparing online age verification to showing ID when buying alcohol or entering an adults-only store. These lawful measures do not violate the First Amendment.<sup>7</sup>

Like showing an ID in a store, HB 1456 verification requirement is minimal and intended to prevent harm, rather than restrict speech. The state's narrow approach prevents harm without interfering with constitutional rights.

## II. *HB 1456 Does not Regulate Speech*

Courts permit regulation of commercial conduct even if speech is incidentally affected. In *United States v. O' Brien*<sup>8</sup>, the Court held that a law regulating conduct is valid if it furthers an important government interest unrelated to speech and is narrowly tailored.<sup>9</sup> Similarly, in *Central Hudson Gas & Electric Corp. v. Public Service*<sup>10</sup>, the Court held that regulations on commercial speech are permissible when they advance a substantial government interest and are narrowly tailored.<sup>11</sup>

HB 1456 meets this standard. By requiring platforms to verify posters and maintain that verification while listings are active, the law serves a substantial government interest in protecting renters from scams and fraudulent listings, while imposing only a minimal burden on speech.

## III. *Section 230 Does Not Shield Platforms from Independent Verification Duties.*

Section 230 of the Communications Decency Act, 47 U.S.C. § 230, protects platforms from being held liable for content posted by their users, but it does not exempt them

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<sup>6</sup> *Id.* at 472.

<sup>7</sup> *Id.* at 478.

<sup>8</sup> 391 U.S. 367 (1968).

<sup>9</sup> *Id.* at 376-77.

<sup>10</sup> 447 U.S. 557 (1980).

<sup>11</sup> *Id.* at 564.

from reasonable regulations of their business practices.<sup>12</sup> Section 13-321 does not hold platforms responsible for what users say. Instead, it focuses on the platform's operational practices to help prevent fraud and therefore remains consistent with §230.

#### IV. *Verification is also Technologically Feasible*

Online rental platforms already use verification technology. Airbnb requires hosts to confirm identity through government-issued identification or facial recognition.<sup>13</sup> Similarly, Zillow requires first-time posters to verify their phone number. If a posting is flagged, Zillow uses a verification portal to confirm its legitimacy.<sup>14</sup> In the meantime, the listing has been temporarily removed until verification is complete.<sup>15</sup> In contrast, Facebook Marketplace and Craigslist have no verification process and experience higher rates of fraudulent listings.<sup>16</sup> These examples demonstrate that HB 1456 is

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<sup>12</sup> See *Fair Hous. Council v. Roommates.com, LLC*, 521 F.3d 1157 (9th Cir. 2008) (holding that a website is not entitled to § 230 immunity when it materially contributes to the unlawfulness of the content); *FTC v. Accusearch, Inc.*, 570 F.3d 1187 (10th Cir. 2009) (holding that § 230 does not immunize a company for its own unlawful conduct); *Lemmon v. Snap, Inc.*, 995 F.3d 1085 (9th Cir. 2021) (holding that § 230 immunity did not apply where plaintiffs' claims were based on Snap's allegedly negligent product design rather than its role in publishing third-party content).

<sup>13</sup> *Verifying Your Identity on Airbnb*, Airbnb Help Center: Verifying your identity on Airbnb, <https://www.airbnb.com/help/article/1237?> (last visited Feb. 3, 2026).

<sup>14</sup> *Zillow Rental Manager Account Verification*, Zillow: Listing a Property, <https://zillow.zendesk.com/hc/en-us/articles/40388811116179-Zillow-Rental-Manager-Account-Verification> (last visited Feb. 3, 2026).

<sup>15</sup> *Creating a Listing*, Zillow: Listing a Property, <https://zillow.zendesk.com/hc/en-us/articles/32915356424595-Creating-a-Listing?> (last visited Feb. 3, 2026); *What is a Verified Source listing?*, Zillow: Renter FAQs, <https://zillow.zendesk.com/hc/en-us/articles/216368218-What-is-a-Verified-Source-listing#:~:text=Verified%20Source%20indicates%20the%20listing,the%20most%20common%20red%20flags> (last visited Feb. 3, 2026).

<sup>16</sup> Powell & Co. Property Management LTD, *Which is better? Rental Agency or Facebook Market Place*, <https://powellandco.nz/which-is-better-rental-agency-or-facebook-market-place#:~:text=Some%20risks%20associated%20with%20using%20Facebook%20Marketplace,arranged%20through%20Facebook%20Marketplace%20poses%20safety%20risks> (last visited Feb. 3, 2026); Better Business Bureau, *Is That Rental Listing Real? BBB Study*, [https://www.bbb.org/all/scamstudies/is\\_that\\_rental\\_listing\\_real\\_scam/is\\_that\\_rental\\_listing\\_real\\_full\\_study#:~:text=Though%20newspaper%20classified%20ads%20have,he%20had%20no%20more%20problems](https://www.bbb.org/all/scamstudies/is_that_rental_listing_real_scam/is_that_rental_listing_real_full_study#:~:text=Though%20newspaper%20classified%20ads%20have,he%20had%20no%20more%20problems). (last visited Feb. 3, 2026); Lethub, *Spotting and Preventing Lockbox Rental Scams*, <https://www.lethub.co/blog/lockbox-rental-scams#:~:text=FAQs%20Which%20sites%20are%20known%20for%20most.anyone%20can%20post%20listings%20without%20much%20verification> (last visited Feb. 3, 2026).

practical and operationally feasible to reduce scams and protect renters without burdening platforms.

*V. Maryland's §13-321 Mirrors Emerging Legislation*

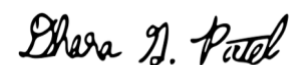
Maryland's HB 1456 is part of a broader legislative movement that acknowledges the necessity of online platform verification for consumer protection. For example, to prevent fraudulent listings, New York Assembly Bill A10669 proposed to require online property and rental marketplaces to verify listings before they are posted. Under the proposal, platforms must use reasonable verification methods to identify a poster. It also establishes a civil penalty of \$500 for each unauthorized listing if a platform fails to comply. Moreover, California passed SB 1144, which requires online marketplaces to collect and verify the identity of high-volume third-party sellers to help prevent the sale of stolen goods.

By adopting HB 1456, Maryland would join a growing consensus that platforms must ensure trust, accountability, and consumer protection in the digital marketplace.

**CONCLUSION**

Maryland has strong legal and policy reasons to enact HB 1456. The law regulates platform conduct rather than user speech, avoiding First Amendment or §230 conflicts. Verification is technologically feasible, as demonstrated by leading rental platforms. Enacting HB 1456 will protect renters and position Maryland as a leader in state-level platform accountability.

I urge the enactment of HB 1456.



Dhara G. Patel

