



Montgomery County

Office of Intergovernmental Relations

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HB 313

DATE: February 5, 2025

SPONSOR: Delegate Stewart

ASSIGNED TO: Economic Matters

CONTACT PERSON: Leslie Frey

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POSITION: FAVORABLE WITH AMENDMENT (Department of Housing and Community Affairs)

Landlord and Tenant - Residential Housing - Rental Applications and Tenant Screening

House Bill 313 prohibits landlords from collecting an application or screening fee for a rental unit unless the rental unit is available for lease or will become available for lease within 30 days after the landlord receives the application. The bill also requires that before accepting an application or screening fee, a landlord must provide a written disclosure to a prospective tenant including the information included in a tenant screening report, the criteria that may result in denial or conditional acceptance of a rental application, the name and contact information of the consumer reporting agency or tenant screening service used by the landlord, and the maximum amount that may be charged for an application fee. The bill also mandates that a landlord may not take adverse action against a prospective tenant – meaning denial, conditional acceptance, or placement on a waiting list – without first providing written notice about the reasons for the adverse action, a statement that the landlord did not consider any proceeding or shielded record, and providing a copy of any tenant screening reports used. Finally, the bill prohibits landlords from asking about information related to proceedings or shielded records and establishes penalties for violations of the provisions of the bill.

House Bill 313 expands tenant/consumer protections by targeting fees charged despite the consumer not receiving any goods or service, or the goods or service not being available. In this case, the bill targets fees when there is no rental unit available or no expectation that a unit will be available in a reasonable time period. Additionally, the bill adds transparency requirements related to tenant screening, including requirements related to a landlord sharing criteria they will use for accepting or denying applications and the disclosure of the screening report itself. This can help address issues such as tenants paying fees for units they would not be eligible for due to previously undisclosed criteria. It can also help prospective tenants find and address errors in their tenant screening reports, which have been shown to frequently contain errors.

The Montgomery County Department of Housing and Community Affairs requests the following amendment to address inadvertent consequences the bill as drafted may cause: **the 30-day period in Real Property – Article 8–222(B)(1)(II) should be extended to 60 days**. Most landlords know at least 60 days in advance that a tenant will turnover due to a 60-day notice to vacate being required by both parties in most leases (and at least by the landlord under state law). In addition, for vacant units undergoing repairs or newly constructed rental units, it may be appropriate to advertise and lease units in advance of 60 days. As currently drafted, House Bill 313 does not strictly limit the advertising period, but it discourages landlords from advertising in advance of the period during which they can charge an application fee. This more limited time period for advertising a unit is detrimental for tenants who face the greatest challenges in securing housing and for households requiring housing types that are in shorter supply, such as for larger families and households with people with disabilities.

The Montgomery County Department of Housing and Community Affairs respectfully urges the committee to issue a favorable report with the above amendment on House Bill 313.