Bill:	**House Bill 313 – Landlord and Tenant - Residential Housing - Rental Applications and Tenant Screening**
Committee:	**Economic Matters**
Date:	**February 5, 2026**
Position:	**Unfavorable**

The Apartment and Office Building Association (AOBA) of Metropolitan Washington is a nonprofit trade association representing the owners and managers of more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's counties. AOBA submits the following testimony in opposition to House Bill 313.

HB 313 would prohibit a landlord from collecting an application or screening fee unless the rental is available or will become available within 30 days of receiving the application. HB 313 also prohibits a landlord from taking certain adverse actions against a prospective tenant unless a landlord provides certain written notice to the prospective tenant. Lastly, this bill further restricts a housing providers ability to consider a prospective tenant's timely rental payment history.

The bill prohibits a landlord from collecting an application or screening fee unless the unit itself is available to lease. During the development of multi-family properties, units are often pre-leased prior to the unit becoming available to move-in for tenants. This pre-leasing is critical for the developer to meet its financing terms. Restricting a lease until 30 days or less from when the unit becomes available will threaten the development's ability to stabilize its revenue. It would also force housing providers to turn away tenants that otherwise would be accepted.

Under Maryland Real Property Article §8–503, housing providers are already restricted from considering a prospective tenant's rental payment history in failure to pay rent cases that do not result in a judgement against the tenant or where the tenant exercises the right of redemption. This bill would further restrict ongoing failure to pay rent cases or filings that do not result in a court hearing. This would further limit a housing provider's ability to assess a prospective tenant's chronic late payment history.

Finally, the definition of "adverse actions" assumes that requiring certain criteria to appropriately

manage risk serves as a barrier to a resident instead of protection to the housing provider. The new written notice requirements will force property managers to train and scrutinize leasing professionals beyond what can reasonably be expected from the industry.

Moreover, in the District of Columbia (DC) housing providers often must spend an average of $5,000 on attorney fees to resolve complaints resulting from a similar law. Many DC housing providers prefer to mediate rather than litigate, which may involve a nuisance payment from the housing provider without the admission of fault. These nuisance payments generally range from $1,000 – $3,000, and there is no cap on the number or amount of nuisance payments an applicant may receive each year. In practice, these provisions only add to the cost of housing and fail to provide more housing at an affordable price to Marylanders. These costs are consistent with a 2025 study that found that tenant screening restrictions increase housing costs by 3.4%.[1] These increases stem from higher legal costs, vacancy loss, and unpaid rent.

For these reasons, AOBA urges an unfavorable report on House Bill 313. For more information, please contact Brian Anleu at banleu@aoba-metro.org.

[1] https://www.metrosight.com/articles/regulation-and-rents