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HB 1456: Consumer Protection - Residential Property Advertisement - Ownership Verification

Hearing before the House Economic Matters Committee on March 10, 2025

Position: SUPPORT (FAV)

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 actively works towards instigating systemic changes to establish a society founded on justice. PJC seeks the Committee's **Favorable report on HB 1456** as it is a critical measure to ensure that our returning Maryland residents are given an equitable opportunity to secure housing. House Bill 1456 (HB 1456) is a critical measure to ensure that we finally change the persistent underground rental fraud system that has victimized both Maryland tenants and landlords.

HB 1456 would require commercial entities that publish or advertise residential property listings to verify that the person offering a property for rent is either the legal owner or the authorized agent of the owner.

Where affordable housing is extremely rare and people are desperate to find housing, fraudulent scammers have taken advantage by breaking into vacant, empty, or renovated homes to post these properties online and defraud an unsuspecting renter into paying thousands of dollars to move. These scams often involve fake ads that mimic real properties, attractive below-market pricing, and stolen photographs that lure victims into sending deposits or personal information to bad actors. Nationwide data from the **Federal Trade Commission** shows that since 2020 nearly 65,000 rental scams have been reported, with about **\$65 million in losses**.¹ In the 12 months ending June 2025, about half of people reporting a rental scam said the fake listing began on Facebook, and 16% cited Craigslist as the origin of the fraudulent ad.²

PJC has directly represented many clients in Baltimore City who have been scammed online. **A former client, Ms. Jessica Legette, gave testimony last year in opposition to HB 164 which would have stripped her of her due process rights after she had been a victim of a rental scam. (Written Testimony Attached).** In that testimony Ms. Legette told her story of responding to an ad for an available rental unit, only to find that she had been scammed into paying thousands of dollars to someone who didn't own the property. Ms. Legette is but one of many Maryland renters who have been duped in this manner.

¹Rental Scams hit home with \$65 million in reported losses, Consumer Protection Data Spotlight, **FED. TRADE COMM'N** (Dec. 22, 3035) <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2025/12/rental-scams-hit-home-65-million-reported-losses?>

² *Id.*

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Property owners also suffer when their legitimate listings, renovated, or vacant properties are copied, manipulated, and reposted by bad actors. For property owners, it has been frustrating and costly when they find an unauthorized person in their home with a fake lease they unsuspectingly got from a scammer. **HB 1456** would ensure these incidences are remedied. Similar legislation, such as New York Assembly Bill A10669, reflects a broader legislative movement recognizing the need for online platform verification to protect consumers.

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. Whether it be political advertising³ or age verification⁴, the Courts have found state laws that require online verification to not be a violation of the First Amendment and that regulations on “commercial speech”, or advertisements in this case, are permissible because they advance a substantial government interest and are narrowly tailored.⁵

Verification is Technologically Feasible

Some Online rental platforms already use verification technology. Airbnb requires hosts to confirm identity through government-issued identification or facial recognition.⁶ 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.⁷ In the meantime, the listing is temporarily removed until verification is completed.⁸ By comparison, places like Facebook Marketplace and Craigslist have no verification process and experience higher rates of fraudulent listings.⁹

By requiring platforms to verify ownership or agency before publishing rental information, **HB 1456** adds a level of due diligence that shifts the burden away from individual renters trying to differentiate between legitimate and fraudulent ads, as well as protecting property owners from unauthorized occupants. It also improves accountability for the platforms where these harmful listings appear.

The Public Justice Center urges a favorable report on HB 1456

³ *In Washington State v. META Platforms, Inc.*, 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.

⁴ *Free Speech Coalition, Inc. v. Paxton*, 606 U.S. 461, 145 S. Ct. 2291 (2025).

⁵ *United States v. O’ Brien*, 391 U.S. 367 (1968); *Central Hudson Gas & Electric Corp. v. Public Service*, 447 U.S. 557 (1980).

⁶ *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).

⁷ *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).

⁸ *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).

⁹ 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%20news%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%20mu> [ch%20verification](https://www.lethub.co/blog/lockbox-rental-scams#:~:text=FAQs%20Which%20sites%20are%20known%20for%20most,anyone%20can%20post%20listings%20without%20mu) (last visited Feb. 3, 2026).

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TESTIMONY

My name is Jessica Legette **and I am asking for an unfavorable report on HB 164.** I am a Baltimore City resident and a mother of 3. During the pandemic, I asked my landlord to fix some lead issues that were on the property. Instead, the landlord retaliated against me and kicked me out. I was left to scramble for a new place to live. Moving in a short period of time put my family in a tight spot financially. I was so relieved when I found a place within my budget, especially because the landlord told me I could move in right away.

Unfortunately, this was only the beginning of my trauma. Right after moving in, random individuals started coming to my place, saying they owned the property and wanted me to leave. None of them told me who they were or showed me any proof or paperwork. It was a scary and confusing time. I did not know who to trust. I realized that the person who rented me the house never owned it and had scammed me out of a few thousand dollars.

It will take a long time for my family to recover from the anguish we experienced during this time. My kids are suffering at school. My oldest can't sleep through the night. I have been diagnosed with PTSD.

The only thing that helped was getting legal advice that assured me that I had a right to a court process. This helped me understand that the aggressive strangers who kept coming to my door weren't entitled to throw me out at any moment. I soon faced a wrongful detainer case. The actual owner had to prove who he was, and the court process allowed me to understand how much time I had before I would have to move out. The Judge gave me some clarity about what was going on and little time to move out. That little time was crucial for me.

For the company that owned this property and many others, the house was an investment to be checked on every couple of months. For me, it was a home that would help my family get stable again. I never intended to squat in someone else's property. The city had issued this property a vacant building notice years before. I wish the owner had boarded it up like the city ordered in 2022. Then, I never would have fallen victim to this scam.

If HB 164 had passed, a Sheriff would have kicked me out into the streets without any time to gather my belongings or find alternative housing. That is terrifying. We should not be punishing victims such as myself.