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Fair Rental Screening Practices Will Protect Maryland Tenants

Position Statement in Support of House Bill 313

Given before the Senate Judicial Proceedings Committee

Finding a new rental home has become expensive, arbitrary, and unpredictable. HB 313 is a step forward to addressing this issue. HB 313 requires landlords, before accepting a rental application fee, to explain to tenants in writing what information will be accessed in a tenant screening report. If a tenant is denied or offered conditional acceptance, the landlord must explain to the rental applicant in writing why they were denied and must include a copy of the report used to make the determination or information on how to obtain the report. In addition, HB 313 also prohibits the landlord's knowing use of most shielded, sealed, or suppressed eviction records as a reason for denial of tenancy. Tenants have a right to transparency, communication, and predictability in the rental application process. **For these reasons, the Maryland Center on Economic Policy respectfully requests that the Senate Judicial Proceedings Committee issue a favorable report for HB 313.**

The tenant screening service industry has ballooned into a billion-dollar industry in the past few decades, in no small part due to the rise of A.I., and with little oversight under the Trump Administration. This dynamic has led landlords to lean on tenant screening reports that are filled with errors and exacerbate racial disparities.¹ Research has found that many of these screening reports use inaccurate eviction filings, criminal records, and credit history data to deny an otherwise qualified renter.² Landlords blindly use this inaccurate data to deny qualified renters, leaving the unsuspecting renter less an application fee and without a home. Further, these reports generally do not allow applicants to correct mistakes or provide context for information in the report, with many landlords failing to inform applicants of their right to dispute this information.³

HB 313 would ensure that a prospective renter will know before they pay an application fee exactly what the landlord will use to qualify them for tenancy and will ensure that the landlord is using accurate information when evaluating the renter. HB 313 also aligns with existing federal adverse action notice requirements and with similar laws that have been passed in Illinois, Colorado, Washington D.C., and Pennsylvania.

Further, HB 313 does not prohibit landlords from continuing to use tenant screening reports from screening companies. Instead, it ensures that applicants receive copies of these existing reports so they can identify any errors that need to be corrected or understand which aspects of their application need improvement before unnecessarily applying to another rental property. HB 313 gives prospective tenants the transparency and predictability they

¹ The Discriminatory Impacts of AI-Powered Tenant Screening Programs, <https://www.law.georgetown.edu/poverty-journal/blog/the-discriminatory-impacts-of-ai-powered-tenant-screening-programs/>

² Digital Denials: How Abuse, Bias, and Lack of Transparency in Tenant Screening Harm Renters, <https://www.nclc.org/resources/digital-denials-how-abuse-bias-and-lack-of-transparency-in-tenant-screening-harm-renters/>

³ CFPB Reports Highlight Problems with Tenant Background Checks, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-reports-highlight-problems-with-tenant-background-checks/>

deserve in a rental application process increasingly dictated by black-box algorithms with no backstop to inaccurate reporting.

Tenants have a right to transparency, communication, and predictability in the rental application process. This can only come from accurate reporting and knowledge about the contents of screening reports. HB 313 enables this. **For these reasons, the Maryland Center on Economic Policy respectfully urges a favorable report on House Bill 313.**

Equity Impact Analysis: House Bill 313

Bill summary

HB 313 increases transparency and fairness in the rental application process by requiring landlords to disclose, in writing, what information will be used in tenant screening reports before charging an application fee. It also requires landlords to provide written explanations for denials or conditional approvals and share the screening report or instructions to access it. The bill further prohibits the use of most sealed or suppressed eviction records in rental decisions.

Background

Tenant screening has grown into a multi-billion-dollar industry, increasingly driven by automated systems and algorithms with limited oversight. These reports often contain errors related to eviction filings, criminal records, and credit histories, yet are widely used by landlords to make rental decisions. Applicants are frequently denied housing based on inaccurate or incomplete data without explanation or an opportunity to correct mistakes. Similar laws in states like Illinois, Colorado, Pennsylvania, and Washington, D.C. have introduced transparency requirements without disrupting rental markets. HB 313 aligns Maryland with these emerging consumer protections and existing federal adverse action standards.

Equity Implications

Black and Brown renters are disproportionately harmed by flawed tenant screening practices due to systemic inequities in eviction filings, credit access, and criminal justice involvement. Inaccurate or misleading records—especially eviction filings that did not result in eviction—can unjustly block access to housing. Without transparency, these disparities are compounded, as renters are repeatedly denied and forced to pay multiple application fees. HB 313 helps reduce these inequities by ensuring renters can see, understand, and challenge the information used against them, promoting fairer access to housing and reducing the cycle of housing instability in marginalized communities.

Impact

House Bill 313 will likely **increase racial equity** in Maryland.