

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1218
 Economic Matters

(Delegates Wilkins and Phillips)

Judicial Proceedings

Safe and Healthy Homes for All Act

This bill requires the Office of Tenant and Landlord Affairs (OTLA) within the Department of Housing and Community Development (DHCD), in collaboration with the Office of the Attorney General, to develop a plan to (1) identify “severe health and safety risk properties” in the State; (2) expand the structure of OTLA to address severe health and safety risk properties in the State; and (3) provide effective interventions to mitigate predatory, noncompliant, and negligent landlords of multi-unit rental properties in the State. The bill only applies to properties with 50 or more units. DHCD must submit the plan and recommendations to the Governor and the General Assembly by August 31, 2027; a related report is due by December 31, 2027. The bill also requires DHCD to publish the list of severe health and safety risk properties on its web page. **The bill takes effect July 1, 2026, and terminates December 31, 2027.**

Fiscal Summary

State Effect: General fund expenditures increase by \$248,500 in FY 2027 for staff and one-time contractual services. Future years reflects ongoing costs and termination of the bill during FY 2028. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	248,500	84,700	0	0	0
Net Effect	(\$248,500)	(\$84,700)	\$0	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: None.

Analysis

Bill Summary: The bill expresses the General Assembly’s intent for OTLA to focus on the most severe, serious, and high-volume violations and that the planned interventions be limited to such properties.

The bill defines “severe health and safety risk property” as a rental property that routinely fails to meet basic health and safety standards. It includes the following:

- a rental property that is in continued noncompliance with local housing codes, resulting in chronic unsafe housing conditions;
- a severely distressed rental property;
- a rental property that has repeated cycles of violations, citations, and failures to remediate; and
- a persistently hazardous rental property.

The plan developed by OTLA must:

- create a process for identifying severe health and safety risk properties and predatory landlord practices;
- develop methods for the referral of properties to OTLA, including by residents that currently live in a property and through coordination with municipal and county agencies, by tenant associations, and by other organizations that serve renters and communities;
- determine appropriate interventions to protect the health and safety of residents living in severe health and safety risk properties, as further specified (*e.g.*, required tenant escrow, mandatory follow-up inspections, temporary relocation plans for tenants in units that are unsafe for occupancy, etc.); and
- identify costs and options for containing costs, including leveraging collaboration with the county or local housing agency and the utilization of county inspectors versus the hiring of State inspectors.

When developing the plan, OTLA must communicate and coordinate with counties and municipalities in interventions and identify ways to leverage county resources. OTLA must also seek input from renters, renter advocates, property owners, housing providers, housing associations, and other stakeholders to develop the plan.

The bill requires that DHCD submit a report to the Governor and the General Assembly by December 31, 2027, that includes the following:

- the properties that are identified as a severe health and safety risk;

- the types of violations identified;
- the reason a property is included in the plan;
- any interventions undertaken and the status of violations as a result of the plan; and
- any other helpful information.

Current Law: In addition to other actions, Chapter 124 of 2024, established OTLA within DHCD. The purpose of OTLA is to (1) ensure that tenants have access to educational resources to aid in understanding and exercising the tenants’ rights under State law; (2) provide tenants with information on how to report a violation of their legal rights as tenants and facilitate referrals of reported violations to appropriate enforcement agencies; (3) provide tenants with information on how to obtain financial counseling; and (4) notify appropriate authorities regarding housing discrimination and other unfair or illegal housing practices.

State Expenditures: General fund expenditures increase for DHCD by \$248,521 in fiscal 2027 for additional staff, as well as to procure contractual services; this estimate reflects a 90-day start-up delay from the bill’s July 1, 2026 effective date. These additional resources are necessary in order to complete the study (including coordinating with and seeking input from other entities as required), prepare the report, and develop and publish the information required under the bill. This estimate therefore reflects the cost of hiring one program manager and one community assistant, in addition to one-time contracting costs in fiscal 2027.

Contractual Positions	2.0
Salaries and Fringe Benefits	\$130,239
Operating Expenses	18,282
One-time Contracting Costs	<u>100,000</u>
Total FY 2027 State Expenditures	\$248,521

Future years reflect ongoing salaries, continuing operating expenses, and the termination of the bill and associated costs after fiscal 2028.

Additional Comments: For more information on OTLA and the services it provides (including resources available to tenants and landlords) – See OTLA’s [web page](#).

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 941 (Senator Henson) - Judicial Proceedings.

Information Source(s): Department of Housing and Community Development; Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2026
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Analysis by: Donovan A. Ham

Direct Inquiries to:
(410) 946-5510
(301) 970-5510