

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 313
Economic Matters

(Delegate Stewart)

Judicial Proceedings

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

This bill generally establishes numerous guidelines in regard to rental applications and prospective tenant screening. Among other provisions, the bill (1) prohibits landlords from collecting application or screening fees unless a certain disclosure form is provided; (2) requires specified disclosures before “adverse action” may be taken against prospective tenants; (3) prohibits a landlord from taking specified actions when assessing a prospective tenant; and (4) authorizes prospective tenants to dispute inaccurate information within a tenant screening report. A prospective tenant may not waive any of the protections established under the bill and any attempted waiver is void. Violators of various provisions within the bill are subject to civil penalties. Individuals injured by certain violations may also seek specified relief in a civil action. Finally, the bill requires the Department of Housing and Community Development (DHCD) to develop a disclosure form for landlords to provide to prospective tenants, and authorizes the Attorney General to adopt regulations to implement the bill.

Fiscal Summary

State Effect: The bill’s penalty provisions are not anticipated to have a material impact on State finances or operations. DHCD and the Office of the Attorney General can handle the bill’s requirements with existing resources.

Local Effect: The bill does not have a material impact on local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Definitions

“Adverse action” means (1) denial of a prospective tenant’s rental application; (2) conditional acceptance of a prospective tenant’s rental application; or (3) placement of a prospective tenant on a waiting list because of screening criteria.

“Record” means an official record of an active, pending, or final court proceeding kept by the clerk of the court or other court personnel. It includes (1) an index, docket entry, a petition, a memorandum, a transcription of proceedings, an electronic recording, an order, and a judgment and (2) any electronic information about a proceeding on a website maintained by the Judiciary.

“Shielded record” means a record protected from public inspection under certain sections within Title 8, Subtitle 5 of the Real Property Article or that the court has otherwise sealed or ordered inaccessible to members of the public. It includes a record shielded, suppressed, or sealed in another jurisdiction under provisions equivalent to those of the State.

Department of Housing and Community Development – Disclosure Form

DHCD must develop a disclosure form that includes:

- the information contained in a tenant screening report;
- criteria that may result in a denial or conditional acceptance of an application;
- the name and contact information for any consumer reporting agency or tenant screening service the landlord utilizes; and
- the maximum amount the landlord may charge for the application fee.

Prior to accepting an application or screening fee, a landlord must provide the disclosure described above to any prospective tenant.

A violator is subject to a civil penalty of up to \$500 for each violation. An individual injured by a violation may also seek injunctive relief and a refund of any application or screening fee.

Adverse Action and Dispute Procedures

Generally, a landlord must follow specific procedures if a landlord intends to take adverse action against a tenant. A landlord must provide the prospective tenant with a written notice

that states the specific reasons for the adverse action and identifies the screening report or other information the landlord relied upon when considering the prospective tenant. The notice must also affirm that the landlord did not take certain actions prohibited under the bill's provisions (*e.g.*, knowingly consider any shielded record).

Landlords must provide the prospective tenant with a copy of any screening report used in the determination or information sufficient to allow the prospective tenant to independently obtain a copy of the tenant screening report; any other information required for adverse action notice under the federal Fair Credit Reporting Act must also be provided. Furthermore, the bill (1) requires the landlord to notify the prospective tenant of the right to dispute the report and (2) authorizes prospective tenants to dispute and provide evidence regarding inaccurate or incomplete information in the screening report.

A violator is subject to a civil penalty of up to \$500 for each violation. An individual injured by a violation may also seek injunctive relief and a refund of any application or screening fee.

Prohibition on Shielded Records

A landlord may not request, require, or inquire about information concerning shielded records, nor, subject to certain exceptions, may the records be considered in making a rental determination. A landlord is also prohibited from relying on an unshielded record that is three years old or older in a tenant screening report that did not provide reasonably available information regarding the disposition or outcome of the claim against the prospective tenant. The bill prohibits landlords from (1) conditionally accepting an application contingent on the disclosure of shielded records or (2) taking adverse action if a tenant refuses to disclose such records or solely because the information in an unshielded record does not include reasonably available information indicating the disposition or outcome of the claim against a prospective tenant.

A violator is subject to a civil penalty of up to \$500 for each violation. An individual injured by a violation may also bring an action for damages, a refund of any application or screening fee, injunctive and other equitable relief, and reasonable attorney's fees and court costs.

However, a landlord is not liable for a determination based on a shielded record if (1) the landlord relied in good faith on a screening report produced by a third party and (2) the landlord did not have actual knowledge that the record was shielded.

Tenant Screening Reports

A person responsible for producing tenant screening reports (1) must implement and maintain reasonable procedures to prevent the disclosure of information regarding a

shielded record; (2) may not disclose information about a shielded record; and (3) for an unshielded record, must clearly and accurately indicate the disposition or outcome of the claim against the subject of the tenant screening report. A person disclosing information of a shielded record must provide a corrected tenant screening report with the improperly disclosed information removed to all parties within five business days after learning of the disclosure.

An individual injured by a violation may bring an action for injunctive or other equitable relief, including requiring a tenant screening company to send corrective notice.

Interpretation of Bill

Except for the ban on knowingly using a shielded record for specified determinations, the bill may not be construed to prohibit a landlord from relying on a lawfully obtained credit score or consumer report solely because the credit score or consumer report may relate to eviction activity.

Current Law: Generally, in failure to pay rent proceedings, the District Court is required to shield all related court records if the proceeding did not result in a judgment of possession. If a judgment of possession was entered by the court, the District Court may shield all records on motion by a tenant if (1) the tenant proves by a preponderance of the evidence that the tenant exercised the right of redemption and at least 12 months has passed since the final resolution of the proceeding or (2) the District court determines good cause to shield the records.

In limited circumstances, a tenant may petition the court to shield court records relating to any action for repossession for failure to pay rent if the failure to pay rent was due to a loss of income arising out of the COVID-19 pandemic. A petition may not be filed until the appeal period for the action has lapsed. However, these only apply to court records in failure to pay rent actions that were filed on or after March 5, 2020, but before January 1, 2022; the provisions are also not applicable to any record relating to an action for repossession for failure to pay rent that resulted in a money judgment in favor of a landlord unless the petitioner provides evidence to the court that the judgment has been satisfied.

Small Business Effect: The bill may have a meaningful impact on small business landlords who are prohibited from taking specified actions and subject to certain penalties and private civil actions upon a violation.

Additional Information

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

Designated Cross File: None.

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

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