

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 313 (Delegate Stewart)  
Economic Matters

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

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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 certain conditions are satisfied; (2) requires specified disclosures before “adverse action” may be taken against prospective tenants; and (3) 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; certain violations are also deemed unfair, abusive, or deceptive trade practices under the Maryland Consumer Protection Act (MCPA) and subject to MCPA’s *civil* penalty provisions. Individuals injured by certain violations may also seek specified relief in a civil action. The Attorney General may adopt regulations to implement the bill.

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Fiscal Summary

**State Effect:** The bill’s penalty provisions are not anticipated to have a material impact on State finances or operations. The Office of the Attorney General, Consumer Protection Division, 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.

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## 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.

“Proceeding” means a failure to pay rent proceeding initiated by a landlord under Title 8, Subtitle 4 of the Real Property Article not resulting in a judgment of possession in favor of the landlord. It includes the filing of a petition by a landlord for the failure of a tenant to pay rent regardless of whether a hearing is held by the court.

“Shielded record” means a record protected from public inspection under 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.

#### *Fee Collection and Mandatory Disclosures*

Landlords may only collect an application or screening fee if the rental unit is either currently available for lease or will become available within 30 days after receipt of the application. Prior to accepting such fees, the landlord must provide a written disclosure to the prospective tenant 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 screening agency or service the landlord utilizes; and
- the maximum amount the landlord may charge for the application fee.

A violator is subject to a civil penalty of up to \$500 for each violation. A violation is also an unfair, abusive, or deceptive trade practice under MCPA and subject to its civil penalty provisions. 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 indicate that the landlord did not consider any shielded records or proceedings. Furthermore, the bill (1) requires landlords to provide the prospective tenant with a copy of any screening report used in the determination; (2) requires the landlord to notify the prospective tenant of the right to dispute the report; and (3) 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. A violation is also an unfair, abusive, or deceptive trade practice under MCPA and subject to its civil penalty provisions. An individual injured by a violation may also seek injunctive relief and a refund of any application or screening fee.

### *Prohibition on Shielded Records and Proceedings*

A landlord may not request, require, or inquire about information concerning a proceeding against the prospective tenant or shielded records, nor may they be considered in making a rental determination. The bill prohibits landlords from conditionally accepting an application contingent on the disclosure of proceedings/shielded records or taking adverse action if a tenant refuses to disclose them.

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.

### *Tenant Screening Reports*

A person responsible for producing tenant screening reports must implement and maintain reasonable procedures to prevent the disclosure of information regarding a proceeding or shielded record and may not disclose information about a proceeding/shielded record. A person disclosing information of a proceeding or 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.

## **Current Law:**

### *Shielded Records – Failure to Pay Rent*

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.

### *Maryland Consumer Protection Act*

An unfair, abusive, or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair, abusive, or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease and desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to \$10,000 for each violation and up to \$25,000 for each repetition of the same violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

**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.

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### **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 Legislative Services

**Fiscal Note History:** First Reader - February 4, 2026  
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