

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 941 (Senator Henson)
 Judicial Proceedings

Department of Housing and Community Development - Severe Health and Safety Risk Properties - Intervention Plan

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. DHCD must submit the plan and recommendations to the Governor and General Assembly by August 31, 2027. **The bill takes effect July 1, 2026, and terminates December 31, 2027.**

Fiscal Summary

State Effect: General fund expenditures increase by \$100,000 in FY 2027 only for contractual services, as discussed below. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	100,000	0	0	0	0
Net Effect	(\$100,000)	\$0	\$0	\$0	\$0

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

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

Small Business Effect: None.

Analysis

Bill Summary: 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 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; and
- 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.).

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 for DHCD increase by an estimated \$100,000 in fiscal 2027 only, which reflects the cost of acquiring contractual services to complete the planning required under the bill. DHCD advises that it does not currently have the staffing capabilities to develop and submit the plan along with recommendations by the August 31, 2027 deadline; thus, additional resources are required.

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: HB 1218 (Delegates Wilkins and Phillips) - Economic Matters.

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
js/jkb

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