

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 1059 (Senator Raskin)
Judicial Proceedings

**Landlord and Tenant - Application Fees - Prospective Tenants Who Receive
Housing Assistance**

This bill prohibits a landlord from requesting or accepting an application fee from a prospective tenant who intends to use, for the payment of rent, housing assistance from any government grant, loan, or assistance program that is provided in a form that the landlord will not accept. A landlord who violates the bill's provisions must refund the application fee and is liable to the prospective tenant for damages equal to three times the amount of the application fee.

Fiscal Summary

State Effect: The bill does not directly affect State governmental operations or finances.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Generally, a landlord is prohibited from charging a prospective tenant fees, other than a security deposit, which exceed \$25. In the event a landlord does charge more than \$25, the landlord must return the fees or is liable for twice the amount of the fees in damages. If the landlord returns the fees, he or she must do so within 15 days following the date of the occupancy or by any party's written communication of a decision to not enter into the lease. The landlord may only retain the portion of the fees actually expended for a credit check or other expenses arising out of the application. Any fees not actually expended on behalf of the tenant making an application must be

returned. The lease application must include a statement which explains (1) the liabilities which the tenant incurs upon signing the application and (2) the aforementioned limitations on the fees that may be charged.

Background: The bill specifically mentions low-income housing assistance certificates and vouchers issued under the U.S. Housing Act of 1937. The U.S. Department of Housing and Urban Development's Section 8 Housing Choice Voucher Program is a rental assistance program that subsidizes the rent of lower-income families through the use of federal funds. The Department of Housing and Community Development administers the program in the State. Under the program, qualified applicants may select the eligible rental housing of their choice.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 22, 2013
ncs/kdm

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