

HOUSE BILL 1223

N1

11r2678

By: **Delegate Lehman**

Introduced and read first time: February 8, 2021

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Landlord and Tenant – Screening of Tenants and Renewal of Tenancy –**
3 **Standards**

4 FOR the purpose of expanding the application of a certain requirement regarding the
5 return of certain fees by a landlord; limiting the number of times that a certain
6 landlord may require a prospective tenant to pay a certain fee within a certain period
7 of time, subject to certain exceptions; prohibiting a landlord from denying a certain
8 lease application based on certain information, or a lack of certain information, that
9 is discovered as the result of a certain background check, credit history check, or
10 rental history check; authorizing a landlord, on written notice to the prospective
11 tenant delivered by certain means, request that the prospective tenant complete and
12 return an addendum to the lease application that provides certain additional
13 information about the tenant; requiring a prospective tenant to respond to a certain
14 notice in a certain manner within a certain number of days; authorizing the lease
15 application of a prospective tenant that fails to return a certain addendum in
16 accordance with certain provisions of this Act to be denied; requiring a landlord that
17 requires a prospective tenant to have a certain income ratio as a condition to
18 establishing a tenancy to make an exception if the prospective tenant provides
19 certain evidence and meets a certain minimum income ratio; requiring a landlord to
20 establish a written rental admissions policy that is available to the public by certain
21 means; prohibiting a landlord from using a written rental admission policy that
22 includes certain criteria; requiring a landlord to provide a prospective tenant with a
23 copy of the written rental admissions policy or a link to a certain digital version of
24 the written rental admissions policy; requiring that, if a digital link to the written
25 rental admissions policy is included in the lease, the link be set apart from all other
26 sections of the lease; requiring a landlord who denies the lease application of a
27 prospective tenant to provide the tenant with a written or electronic document
28 stating with particularity each reason for the denial of the application; prohibiting a
29 landlord from denying the lease application of a prospective tenant based on a reason
30 not included in the written rental admission policy; authorizing a prospective tenant
31 that does not receive a document stating the reason that their application was denied

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 or whose application was denied for a reason not included in the written rental
2 admissions policy to bring a civil action and, if successful, to be awarded certain
3 damages and fees; prohibiting a landlord from electing not to renew a lease based on
4 information reasonably related to a tenant's status as a victim of crime or a victim
5 of domestic violence; authorizing a tenant injured by a certain decision not to renew
6 a lease to bring a certain civil action and, if successful, to be awarded certain
7 damages and fees; authorizing a court that finds that a tenant's assertion was made
8 in bad faith or without substantial justification, to enter a judgment against the
9 tenant for certain damages and fees; establishing certain conditions for relief in the
10 event a landlord elects not to renew a tenancy based on certain information;
11 providing that certain provisions of this Act supersede certain county ordinances
12 under certain circumstances; providing for the interpretation of a certain provision
13 of this Act; defining certain terms; and generally relating to the relationship between
14 a landlord and tenants or prospective tenants.

15 BY repealing and reenacting, without amendments,
16 Article – Real Property
17 Section 8–201
18 Annotated Code of Maryland
19 (2015 Replacement Volume and 2020 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – Real Property
22 Section 8–213
23 Annotated Code of Maryland
24 (2015 Replacement Volume and 2020 Supplement)

25 BY adding to
26 Article – Real Property
27 Section 8–213.1 through 8–213.3 and 8–402.5
28 Annotated Code of Maryland
29 (2015 Replacement Volume and 2020 Supplement)

30 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
31 That the Laws of Maryland read as follows:

32 **Article – Real Property**

33 8–201.

34 (a) This subtitle is applicable only to residential leases unless otherwise provided.

35 (b) This subtitle does not apply to a tenancy arising after the sale of
36 owner-occupied residential property where the seller and purchaser agree that the seller
37 may remain in possession of the property for a period of not more than 60 days after the
38 settlement.

1 8–213.

2 (a) An application for a lease shall contain a statement which explains:

3 (1) The liabilities which the tenant incurs upon signing the application;
4 and

5 (2) The provisions of subsections (b) [and (c)] **THROUGH (D)** of this section.

6 (b) (1) (i) If a landlord requires from a prospective tenant any fees other
7 than a security deposit as defined by § 8–203(a) of this subtitle[, and these fees exceed \$25],
8 then the landlord shall return the fees, subject to the exceptions below, or be liable for twice
9 the amount of the fees in damages.

10 (ii) The return shall be made not later than 15 days following the
11 date of occupancy or the written communication, by either party to the other, of a decision
12 that no tenancy shall occur.

13 (2) The landlord may retain only that portion of the fees actually expended
14 for a credit check or other expenses arising out of the application, and shall return that
15 portion of the fees not actually expended on behalf of the tenant making application.

16 (c) **[This] A LANDLORD MAY NOT REQUIRE A PROSPECTIVE TENANT TO PAY
17 A FEE FOR A CREDIT CHECK OR ANY OTHER EXPENSE ARISING OUT OF AN
18 APPLICATION MORE THAN ONCE WITHIN ANY 60–DAY PERIOD, REGARDLESS OF THE
19 NUMBER OF RENTAL UNITS OWNED OR MANAGED BY THE LANDLORD, UNLESS ANY
20 PRIOR FEE PAID BY THE PROSPECTIVE TENANT WITHIN THE 60–DAY PERIOD WAS
21 RETURNED IN FULL AS REQUIRED UNDER THIS SECTION.**

22 **(D) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THIS**
23 **section does not apply to any landlord who offers four or less dwelling units for rent on one**
24 **parcel of property or at one location, or to seasonal or condominium rentals.**

25 **8–213.1.**

26 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
27 **INDICATED.**

28 **(2) “SUFFICIENT CREDIT OR RENTAL HISTORY” MEANS CREDIT OR**
29 **RENTAL HISTORY THAT IS AT LEAST AS LONG AS THE MINIMUM PERIOD OF TIME**
30 **REQUIRED BY A LANDLORD.**

31 **(3) “VICTIM OF DOMESTIC VIOLENCE” MEANS:**

32 **(I) A VICTIM OF DOMESTIC ABUSE, AS DEFINED IN § 4–501 OF**

1 THE FAMILY LAW ARTICLE; AND

2 (II) A PERSON ELIGIBLE FOR RELIEF, AS DEFINED IN § 4-501 OF
3 THE FAMILY LAW ARTICLE.

4 (B) IF A LANDLORD PERFORMS OR REQUESTS A THIRD PARTY TO PERFORM
5 A BACKGROUND CHECK, CREDIT HISTORY CHECK, OR RENTAL HISTORY CHECK OF A
6 PROSPECTIVE TENANT, THE LANDLORD MAY NOT DENY A LEASE APPLICATION:

7 (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, DUE
8 TO A LACK OF SUFFICIENT CREDIT OR RENTAL HISTORY;

9 (2) BASED ON A REPORTED EVENT IN A BACKGROUND CHECK, CREDIT
10 HISTORY CHECK, OR RENTAL HISTORY CHECK THAT IS MORE THAN 7 YEARS OLD;

11 (3) BASED ON INFORMATION REASONABLY RELATED TO A COURT
12 RECORD THAT HAS BEEN SEALED BY A COURT; OR

13 (4) BASED ON INFORMATION REASONABLY RELATED TO A
14 PROSPECTIVE TENANT'S STATUS AS:

15 (I) A VICTIM OF CRIME; OR

16 (II) A VICTIM OF DOMESTIC VIOLENCE.

17 (C) (1) (I) A LANDLORD MAY REQUEST IN WRITING THAT A
18 PROSPECTIVE TENANT COMPLETE AND RETURN AN ADDENDUM TO THE LEASE
19 APPLICATION THAT PROVIDES ADDITIONAL INFORMATION ON THE REASON THE
20 PROSPECTIVE TENANT LACKS SUFFICIENT CREDIT OR RENTAL HISTORY.

21 (II) A REQUEST MADE UNDER THIS SUBPARAGRAPH SHALL BE
22 DELIVERED BY CERTIFIED MAIL, ELECTRONIC MEANS, OR HAND DELIVERY.

23 (2) A PROSPECTIVE TENANT SHALL, NOT LATER THAN 5 DAYS AFTER
24 RECEIVING A REQUEST UNDER PARAGRAPH (1) OF THIS SUBSECTION, RETURN THE
25 ADDENDUM TO THE LANDLORD OR INFORM THE LANDLORD THAT THE PROSPECTIVE
26 TENANT IS NO LONGER INTERESTED IN ESTABLISHING A TENANCY.

27 (3) THE LEASE APPLICATION OF A PROSPECTIVE TENANT MAY BE
28 DENIED FOR LACK OF SUFFICIENT CREDIT OR RENTAL HISTORY IF THE TENANT
29 FAILS TO RETURN THE ADDENDUM IN ACCORDANCE WITH PARAGRAPH (2) OF THIS
30 SUBSECTION.

1 **8-213.2.**

2 (A) IN THIS SECTION, "INCOME RATIO" MEANS THE RATIO OF A TENANT'S
3 TOTAL INCOME FROM ALL LAWFUL SOURCES, WHETHER PAID DIRECTLY OR
4 INDIRECTLY TO OR ON BEHALF OF THE TENANT, TO THE RENT ADVERTISED BY A
5 LANDLORD FOR A PARTICULAR DWELLING UNIT.

6 (B) IF A LANDLORD REQUIRES A PROSPECTIVE TENANT TO HAVE AN
7 INCOME RATIO OF AT LEAST TWO TIMES THE RENT ADVERTISED BY THE LANDLORD
8 FOR A PARTICULAR DWELLING UNIT, THE LANDLORD SHALL MAKE AN EXCEPTION IF
9 THE PROSPECTIVE TENANT:

10 (1) HAS AN INCOME RATIO OF AT LEAST ONE-TO-ONE; AND

11 (2) PROVIDES EVIDENCE OF A PRIOR ABILITY TO PAY RENT EQUAL TO
12 OR GREATER THAN THE RENT ADVERTISED BY THE LANDLORD FOR A PERIOD OF 1
13 YEAR OR MORE.

14 **8-213.3.**

15 (A) IN THIS SECTION, "WRITTEN RENTAL ADMISSIONS POLICY" MEANS A
16 DOCUMENT THAT IDENTIFIES ANY CRITERIA A LANDLORD WILL CONSIDER WHEN
17 MAKING A DETERMINATION OF WHETHER TO ENTER INTO A LEASE WITH A
18 PROSPECTIVE TENANT, INCLUDING ABILITY TO PAY THE ADVERTISED RENT,
19 INCOME RATIO AS DEFINED UNDER § 8-213.2 OF THIS SUBTITLE, OR THE RESULTS
20 OF ANY CONSUMER REPORT OR INVESTIGATION INTO THE BACKGROUND OR
21 QUALIFICATIONS OF THE PROSPECTIVE TENANT.

22 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A LANDLORD
23 SHALL ESTABLISH A WRITTEN RENTAL ADMISSIONS POLICY AND SHALL MAKE IT
24 AVAILABLE TO THE PUBLIC:

25 (I) ON REQUEST MADE TO THE LANDLORD; OR

26 (II) IF THE LANDLORD MAINTAINS A WEBSITE, ON THE
27 LANDLORD'S WEBSITE.

28 (2) A LANDLORD MAY NOT USE A WRITTEN RENTAL ADMISSIONS
29 POLICY THAT INCLUDES CRITERIA THAT VIOLATE FEDERAL, STATE, OR LOCAL LAW.

30 (3) (I) WHEN A PROSPECTIVE TENANT SUBMITS A LEASE
31 APPLICATION TO A LANDLORD, THE LANDLORD SHALL PROVIDE THE PROSPECTIVE
32 TENANT WITH:

1 1. A COPY OF THE WRITTEN RENTAL ADMISSIONS
2 POLICY; OR

3 2. A LINK TO THE WRITTEN RENTAL ADMISSIONS POLICY
4 ON THE LANDLORD'S WEBSITE, PROVIDED THAT, IF THE LINK IS INCLUDED WITH A
5 COPY OF THE LEASE PROVIDED TO THE PROSPECTIVE TENANT, THE LINK IS SET
6 APART FROM ALL OTHER SECTIONS OF THE LEASE.

7 (c) (1) A LANDLORD THAT DENIES THE LEASE APPLICATION OF A
8 PROSPECTIVE TENANT SHALL PROVIDE THE TENANT WITH A WRITTEN OR
9 ELECTRONIC DOCUMENT STATING WITH PARTICULARITY EACH REASON FOR THE
10 DENIAL.

11 (2) A LANDLORD MAY NOT DENY THE LEASE APPLICATION OF A
12 PROSPECTIVE TENANT BASED ON A REASON THAT IS NOT INCLUDED IN THE
13 LANDLORD'S WRITTEN RENTAL ADMISSIONS POLICY.

14 (3) A LANDLORD THAT VIOLATES A PROVISION OF THIS SUBSECTION
15 IS SUBJECT TO A CIVIL PENALTY OF \$1,000 PER VIOLATION.

16 (4) A PROSPECTIVE TENANT INJURED BY A VIOLATION OF THIS
17 SUBSECTION MAY BRING A CIVIL ACTION IN A COURT OF COMPETENT JURISDICTION
18 AND, IF THE COURT FINDS IN FAVOR OF THE PROSPECTIVE TENANT, MAY BE
19 AWARDED:

20 (I) DAMAGES;

21 (II) COURT COSTS; AND

22 (III) REASONABLE ATTORNEY'S FEES.

23 **8-402.5.**

24 (A) IN THIS SECTION, "VICTIM OF DOMESTIC VIOLENCE" MEANS:

25 (1) A VICTIM OF DOMESTIC ABUSE, AS DEFINED IN § 4-501 OF THE
26 FAMILY LAW ARTICLE; AND

27 (2) A PERSON ELIGIBLE FOR RELIEF, AS DEFINED IN § 4-501 OF THE
28 FAMILY LAW ARTICLE.

29 (B) A LANDLORD MAY NOT ELECT TO RENEW A LEASE BASED ON

1 INFORMATION REASONABLY RELATED TO A TENANT'S STATUS AS:

2 (1) A VICTIM OF A CRIME; OR

3 (2) A VICTIM OF DOMESTIC VIOLENCE.

4 (C) (1) A TENANT INJURED BY A VIOLATION OF SUBSECTION (B) OF THIS
5 SECTION MAY BRING A CIVIL ACTION IN A COURT OF COMPETENT JURISDICTION
6 AND, IF THE COURT FINDS IN FAVOR OF THE TENANT, MAY BE AWARDED:

7 (I) DAMAGES NOT TO EXCEED THE EQUIVALENT OF 3 MONTHS'
8 RENT;

9 (II) COURT COSTS; AND

10 (III) REASONABLE ATTORNEY'S FEES.

11 (2) IF, IN ANY PROCEEDING, THE COURT FINDS THAT A TENANT'S
12 ASSERTION REGARDING A LANDLORD'S DECISION NOT TO RENEW THE LEASE WAS
13 MADE IN BAD FAITH OR WITHOUT SUBSTANTIAL JUSTIFICATION, THE COURT MAY
14 ENTER A JUDGMENT AGAINST THE TENANT FOR THE FOLLOWING:

15 (I) DAMAGES NOT TO EXCEED THE EQUIVALENT OF 3 MONTHS'
16 RENT;

17 (II) COURT COSTS; AND

18 (III) REASONABLE ATTORNEY'S FEES.

19 (D) RELIEF PROVIDED UNDER SUBSECTION (C) OF THIS SECTION IS
20 CONDITIONED ON THE TENANT BEING CURRENT ON THE RENT DUE AND OWING TO
21 THE LANDLORD AT THE TIME THE LANDLORD'S DECISION NOT TO RENEW THE LEASE
22 WAS MADE, UNLESS THE TENANT WITHHOLDS RENT IN ACCORDANCE WITH THE
23 LEASE, § 8-211 OF THIS SUBTITLE, OR A COMPARABLE LOCAL ORDINANCE.

24 (E) AS LONG AS A LANDLORD'S ELECTION NOT TO RENEW A LEASE IS NOT
25 THE RESULT OF A VIOLATION OF SUBSECTION (B), OF THIS SECTION, NOTHING IN
26 THIS SECTION MAY BE INTERPRETED TO ALTER THE LANDLORD'S OR THE TENANT'S
27 RIGHTS NOT TO RENEW A LEASE.

28 (F) IF ANY COUNTY HAS ENACTED OR ENACTS AN ORDINANCE COMPARABLE
29 IN SUBJECT MATTER TO THIS SECTION, THIS SECTION SHALL SUPERSEDE THE
30 PROVISIONS OF THE ORDINANCE ONLY TO THE EXTENT THAT THE ORDINANCE

1 PROVIDES LESS PROTECTION TO A TENANT.

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
3 October 1, 2021.