

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 856

(Senator Henson)

Judicial Proceedings and Education, Energy,
and the Environment

Environment and Transportation

Mold - Landlord Requirements and Regulations (Maryland Tenant Mold Protection Act)

This bill requires the Maryland Department of the Environment (MDE), in consultation with the Maryland Department of Health (MDH), the Department of Housing and Community Development (DHCD), the Maryland Department of Labor (MD Labor), and the Department of General Services (DGS), to develop and update as necessary (1) a centralized website that provides information about mold remediation and dampness and (2) an informational pamphlet that includes specified resources (though MDE may use a specified federal pamphlet instead). The bill establishes various requirements for landlords relating to mold in rental units, including, among other things, performing a mold assessment and remediation under specified conditions. By June 1, 2027, MDE, in consultation with MDH, DHCD, and DGS, must adopt regulations to establish uniform standards for mold assessment and remediation, as specified. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: Under one set of assumptions, general fund expenditures increase by \$125,000 in FY 2026 only, as discussed below. State revenues are not affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	125,000	0	0	0	0
Net Effect	(\$125,000)	\$0	\$0	\$0	\$0

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

Local Effect: Local expenditures increase, potentially significantly for some jurisdictions, beginning in FY 2026. Local revenues are not directly affected. **This bill imposes a mandate on a unit of local government.**

Analysis

Bill Summary:

Informational Packet

The informational pamphlet on mold must include resources in the State relating to mold and how tenants can control mold growth in their units. Instead of developing a pamphlet, MDE may use the U.S. Environmental Protection Agency's (EPA) "Brief Guide to Mold, Moisture, and Your Home" [pamphlet](#).

Landlord Responsibilities

A landlord must:

- provide the informational pamphlet on mold to each tenant in a rental unit on the landlord's property at the time the lease or rental agreement is signed and on request by a tenant;
- request that a tenant sign a statement acknowledging receipt of the pamphlet;
- perform a mold assessment within 15 days after receipt of a written notice regarding the detection of mold from (1) the applicable local agency enforcing housing and livability codes or (2) a tenant or building occupant;
- if such an assessment detects mold, perform mold remediation within 45 days after the assessment is completed, or, if performing mold remediation within that time frame is not feasible, within a reasonable time after the assessment is completed;
- ensure that such a mold assessment and remediation performed follows industry guidelines and best practices as well as State and local laws and regulations;
- communicate with occupants during a mold assessment and mold remediation to provide updates and relevant information;
- ensure proper ventilation and low indoor relative humidity in the property; and
- maintain the property in accordance with all applicable federal, State, and local residential housing and building codes, standards, regulations, rules, and requirements pertaining to minimum livability.

If a local government owns or manages a residential property, the local government or local housing authority must comply with the bill's requirements for landlords. Otherwise, nothing in the bill may be construed to require a local government or local health department to conduct a mold assessment or mold remediation.

Regulations Establishing Uniform Standards for Mold Assessment and Remediation

The regulations must:

- establish standards for (1) identifying and evaluating the presence of mold, including visible mold inspection and testing; (2) mold air sample analyses in accordance with the standards of specified entities; (3) bulk or surface mold sample analyses conducted in accordance with the standards of specified organizations; (4) visible mold inspections to assess the presence of any visible water damage or dampness on surfaces, as specified; (5) mold remediation in accordance with specified guidelines issued by EPA; and (6) reinforcing building codes; and
- establish a risk reduction standard for mold hazards.

Key Definitions

“Mold assessment” means (1) an inspection, an investigation, or a survey of a dwelling or other structure to provide information to the owner regarding the presence, identification, or evaluation of mold; (2) the development of a mold management plan; or (3) the collection or analysis of a mold sample. “Mold remediation” means (1) removing, cleaning, sanitizing, demolishing, or any other treatment performed to address a mold hazard, mold, or dampness or (2) abatement of the underlying cause of a mold hazard, mold, or dampness.

Current Law: Chapter 347 of 2023 established the Workgroup on Mold Standards and Remediation to (1) study information related to mold standards and remediation practices provided by specified industry groups, state governments, and international governments; (2) study EPA’s 2008 [*Mold Remediation in Schools and Commercial Buildings*](#) guidelines, as revised and updated; (3) study the extent to which climate change may increase mold development within indoor environments; and (4) recommend best practices, as specified. The workgroup was required to submit a report of its findings and recommendations to the Governor and the General Assembly by October 1, 2024. That report can be found [here](#). This bill implements several of the recommendations in the report.

Repair of Serious and Dangerous Defects in Rental Dwelling Units

In general, statute provides tenants with a mechanism for encouraging the repair of serious and dangerous defects that exist within or as part of any residential dwelling unit, or upon certain common property, as specified. The defects are those in which a substantial and serious threat of danger to the life, health, and safety of the occupants is present. Current statutory provisions provide a remedy and impose an obligation upon landlords to repair and eliminate the serious and dangerous conditions and defects.

Available Remedies and Notice Requirements

In order to use specified remedies available when serious and dangerous defects are present, a tenant must notify the landlord of the existence of the defects or conditions using specified methods (*e.g.*, written communication sent by certified mail listing the asserted defects, a written violation from an appropriate State/local agency, etc.). A landlord then has a reasonable time after receipt of notice in which to make the repairs or correct the conditions, as specified.

Warranty of Habitability

Chapter 125 of 2024, among other things, established that a landlord that offers a residential dwelling unit for rent, whether by written or oral lease agreement, must be deemed to warrant that the dwelling unit is “fit for human habitation,” which means that a dwelling unit and property of which the dwelling unit is a part are free from serious defects or conditions that constitute, or will constitute if not promptly corrected, a fire hazard or other serious and substantial threat to the life, health, or safety of occupants of the dwelling unit. The warranty of habitability exists throughout a tenant’s tenancy. The Act also established additional relief for breach of the warranty of habitability, applicable to landlords, tenants, and residential dwelling units that are subject to the above provisions regarding the repair of serious and dangerous defects.

Minimum Livability Code

MD Labor is required to adopt a “Minimum Livability Code,” which sets baseline property standards for all residential structures located in the State except for owner-occupied housing units or other housing exempted by MD Labor. The Minimum Livability Code must contain minimum standards for the safe and sanitary maintenance of residential structures and premises. Each political subdivision must adopt by regulation a local housing code that sets minimum property maintenance standards for housing. MD Labor’s Minimum Livability Code does not apply to housing located in a political subdivision that has adopted a substantially similar local housing code. Each political subdivision is responsible for enforcing the Minimum Livability Code and may charge a property owner a fee for an inspection made to enforce the code.

State Expenditures: General fund expenditures increase by \$125,000 in fiscal 2026 for MDE to hire a consultant to assist in developing the required regulations. It is assumed that MDE can comply with the bill’s requirements relating to the centralized website and informational pamphlet using existing resources. Because it is assumed that MDE is the lead agency responsible for these activities, it is assumed that MDH, DHCD, MD Labor, and DGS can consult with MDE as required under the bill with existing resources.

The bill is silent as to the enforcement of the standards adopted by regulation pursuant to the bill. Therefore, it is not clear if MDE or any other State agency is responsible for enforcing the regulations. However, § 12-203 of the Public Safety Article requires the political subdivision where a rental unit is located to enforce the Minimum Livability Code. Thus, this analysis assumes that local governments are likely responsible for enforcing the standards established by regulation under the bill.

To the extent MDE is responsible for enforcing the regulations and/or conducting inspections to ensure compliance, however, general fund expenditures increase significantly to hire several additional staff.

Local Fiscal Effect: For any local government that owns or manages a residential property and is required to comply with the bill's requirements for landlords, local expenditures increase, potentially significantly, to perform mold assessments and remediation activities and generally meet the property maintenance standards under the bill, including ensuring proper ventilation and low indoor relative humidity in affected properties. Although the actual impact on any individual local government depends on several unknown factors, including the condition, size, type of construction, and number of affected properties, the increase in local expenditures could be significant.

For example, Prince George's County anticipates both a significant operational and fiscal impact. Among other things, the county notes that in addition to the costs associated with conducting mold assessments and remediation activities, the bill's requirement to conduct a mold assessment *within 15 days* after receiving a written notice regarding the detection of mold in a rental property likely means the county must follow emergency or sole-source procurement procedures, which further increases costs. The county also notes that many of the Prince George's County Housing Authority buildings that were constructed prior to 1980 do not have mechanical ventilation systems. To the extent that the county must retrofit affected buildings (particularly those that are concrete construction high-rise buildings) to ensure proper ventilation and low indoor relative humidity, the county estimates that its capital expenditures increase by at least \$10.3 million.

Baltimore City likewise advises that its expenditures may increase significantly to the extent the city is required to assess and remediate mold in city-owned residential facilities.

Assuming that political subdivisions are responsible for enforcing the bill's requirements for landlords (beginning in fiscal 2026) – as well as the standards established by regulation under the bill (beginning in late fiscal 2028 or early fiscal 2029) – local expenditures may also increase for enforcement. The magnitude of the impact on local enforcement costs depends, at least to some extent, on the standards developed under the regulations and cannot be predicted in advance. However, because the regulations must establish standards for, among other things, visible mold inspections and reinforcing building codes, it is not

unreasonable to assume that local jurisdictions may need to hire additional enforcement staff.

The bill does not directly affect local revenues. However, as noted above, each political subdivision may charge a property owner a fee for an inspection made to enforce the Minimum Livability Code. The extent to which a local government may be able to recoup inspection costs incurred as a result of the bill is unknown.

Small Business Effect: Landlords incur potentially significant costs to perform mold assessments and remediation activities as a result of the bill. Landlords also likely incur costs to comply with the standards adopted by regulation under the bill, although any such impact cannot be predicted in advance. However, because the regulations must establish standards for sample analyses and inspections as well as a risk reduction standard for mold hazards, among other things, it is not unreasonable to assume that landlords will incur costs to comply with the standards.

It is assumed that the bill's requirement to provide tenants with the pamphlet and request that a tenant sign a statement acknowledging receipt of the pamphlet can likely be accomplished with relatively minimal impact. Although landlords are already required to maintain their properties in accordance with all applicable federal, State and local residential housing and building requirements, landlords may incur additional costs to ensure proper ventilation and low indoor relative humidity in their rental units, to the extent they do not already do so.

On the other hand, landlords and tenants likely benefit from the information provided through the centralized website and pamphlet, and tenants benefit from the bill's mold assessment and remediation requirements and the development of uniform standards for mold assessment and remediation established by regulation under the bill.

Small businesses that conduct mold remediation and assessment services may realize an increase in the demand for their services under the bill.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 976 of 2023.

Designated Cross File: None.

Information Source(s): Howard and Prince George's counties; cities of Annapolis and Baltimore; Maryland Association of Counties; Maryland Municipal League; Office of the
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Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Maryland Department of the Environment; Maryland Department of Health; Department of Housing and Community Development; Maryland Department of Labor; U.S. Environmental Protection Agency; Department of Legislative Services

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