

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Enrolled

House Bill 239

(Delegate J. Long, *et al.*)

Environment and Transportation

Education, Energy, and the Environment

Accessory Dwelling Unit Policy Task Force

This bill establishes an Accessory Dwelling Unit Policy Task Force staffed by the Maryland Department of Planning (MDP). The task force must report to the Governor and the General Assembly by November 1, 2023, on its activities and report its findings and recommendations by June 1, 2024. **The bill takes effect June 1, 2023, and terminates June 30, 2025.**

Fiscal Summary

State Effect: General fund expenditures increase by \$50,000 in FY 2024 only. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force must:

- survey and document a representative sampling of State and local codes, laws, ordinances, and policies regarding the development and operation of accessory dwelling units (ADUs) in areas zoned for single-family residential use, including those codes, laws, ordinances, and policies that address residential growth in these areas;
- study available best practices for streamlining or standardizing the application process for permits necessary to build or operate an ADU; and

- make legislative or other policy recommendations, including a list of best practices for local governments in the State, that holistically address (1) the practical issues associated with the development of ADUs on owner-occupied land zoned for single-family residential use and (2) the impacts on local housing markets, neighborhood livability, and other policies and projects related to ADUs.

“Accessory dwelling unit” means a secondary dwelling unit on the same lot, parcel, or tract as a primary dwelling unit that is constructed (1) attached to, or through the conversion of, a portion of the primary dwelling unit; (2) attached to, or through the full or partial conversion of, an accessory structure located on the same lot, parcel, or tract as the primary dwelling unit; or (3) as a new building, detached from the primary dwelling unit and any existing accessory structure.

The bill establishes the membership of the task force. The Governor must designate the chair of the task force. Task force members may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations.

Current Law: There are no statewide requirements governing ADUs. State law specifies that it is the policy of the State that (1) the orderly development and use of land and structures requires comprehensive regulation through implementation of planning and zoning controls and (2) planning and zoning controls must be implemented by local government. State law includes various provisions authorizing local governments to regulate the location, size, and use of structures through zoning regulations.

While statewide information is not readily available, it appears that numerous local governments in Maryland authorize ADUs in some manner. *For illustrative purposes only*, the City of Annapolis permits ADUs in most residential zoning districts and may allow ADUs as a special exception in other residential zoning districts. The Code of the City of Annapolis specifies limits on the number (one per lot) and size of ADUs, and other applicable limits and requirements.

State Fiscal Effect: General fund expenditures increase by \$50,000 in fiscal 2024 only, for MDP to hire a consultant to assist the department in (1) providing a national perspective for the task force’s work and (2) supporting the task force’s development of recommendations. This estimate assumes that although the bill takes effect June 1, 2023, MDP does not incur costs until fiscal 2024.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 382 (Senator M. Washington) - Education, Energy, and the Environment.

Information Source(s): Maryland Association of Counties; Maryland Municipal League; Maryland Department of Planning; Department of Housing and Community Development; Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2023
rh/sdk Third Reader - April 5, 2023
Revised - Amendment(s) - April 5, 2023
Enrolled - April 19, 2023

Analysis by: Joanne E. Tetlow

Direct Inquiries to:
(410) 946-5510
(301) 970-5510