

HOUSE BILL 1175

L6, Q2, Q6

6lr2313

By: **Delegate Allen**

Introduced and read first time: February 11, 2026

Assigned to: Economic Matters and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Land Use – Residential Housing – Oversight, Regulation, and Taxation**
3 **(Building Affordably in My Back Yard Act)**

4 FOR the purpose of establishing certain policies and processes to facilitate the development
5 of residential housing in the State; requiring an entity that owns residential real
6 property in the State to make a certain certification to the Department of Housing
7 and Community Development; authorizing a local jurisdiction to establish an
8 administrative process to review, approve, modify, or deny certain housing
9 development project applications; providing for the establishment of certain housing
10 production targets; requiring certain local jurisdictions and the Commission to adopt
11 local project design guidelines for certain qualified affordable housing projects;
12 requiring local jurisdictions and the Commission to implement certain preapproval
13 building permit application processes for standardized model home designs;
14 authorizing a county to reduce the fee or tax rate of certain housing-sensitive taxes
15 or fees imposed on a qualified affordable housing project; authorizing a county to
16 increase the fee or tax rate of certain housing-sensitive taxes or fees on classes of
17 property that are not part of a qualified affordable housing project; limiting the
18 entities from which a certain person may accept offers on residential real property
19 during a certain period of time; authorizing a county, after making a certain
20 determination, to impose a transfer tax on the transfer of certain owner-occupied
21 properties; authorizing the Mayor and City Council of Baltimore City or the
22 governing body of a county to establish, by law, certain subclasses of real property
23 and to set a special property tax rate for the subclasses of real property; requiring
24 the Comptroller, in consultation with the State Department of Assessments and
25 Taxation, to evaluate and report on disincentives to homeowners to downsize or
26 transition to smaller homes; requiring the Department of Planning to conduct a
27 study and publish a comprehensive report on housing infrastructure; requiring
28 certain departments to conduct a comprehensive internal review of certain approval
29 processes that impact housing; and generally relating to the oversight, regulation,
30 development, and taxation of residential real estate.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 BY adding to
2 Article – Housing and Community Development
3 Section 1–103
4 Annotated Code of Maryland
5 (2019 Replacement Volume and 2025 Supplement)
- 6 BY repealing and reenacting, with amendments,
7 Article – Land Use
8 Section 1–401 and 10–103
9 Annotated Code of Maryland
10 (2012 Volume and 2025 Supplement)
- 11 BY adding to
12 Article – Land Use
13 Section 7–106; and 12–101 through 12–304 to be under the new title “Title 12.
14 Housing Targets and Affordability”
15 Annotated Code of Maryland
16 (2012 Volume and 2025 Supplement)
- 17 BY adding to
18 Article – Real Property
19 Section 10–804
20 Annotated Code of Maryland
21 (2023 Replacement Volume and 2025 Supplement)
- 22 BY repealing and reenacting, with amendments,
23 Article – Tax – Property
24 Section 6–202.1 and 6–302
25 Annotated Code of Maryland
26 (2019 Replacement Volume and 2025 Supplement)
- 27 BY adding to
28 Article – Tax – Property
29 Section 13–601 and 13–602 to be under the new subtitle “Subtitle 6. Transfer Tax on
30 Transfers of Owner–Occupied Properties”
31 Annotated Code of Maryland
32 (2019 Replacement Volume and 2025 Supplement)

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

35 **Article – Housing and Community Development**

36 **1–103.**

37 **(A) IN THIS SECTION, “ENTITY” MEANS:**

- 1 **(1) A CORPORATION;**
- 2 **(2) A LIMITED LIABILITY COMPANY;**
- 3 **(3) A LIMITED LIABILITY PARTNERSHIP;**
- 4 **(4) A LIMITED PARTNERSHIP;**
- 5 **(5) A LIMITED LIABILITY LIMITED PARTNERSHIP;**
- 6 **(6) A PROFESSIONAL CORPORATION;**
- 7 **(7) A TRADE NAME FILER; OR**
- 8 **(8) A BUSINESS TRUST.**

9 **(B) (1) AT LEAST ONCE PER YEAR, EACH ENTITY THAT OWNS**
10 **RESIDENTIAL REAL PROPERTY IN THE STATE SHALL FILE WITH THE DEPARTMENT**
11 **A CERTIFICATE DISCLOSING THE CORRECT CONTACT INFORMATION FOR A**
12 **REPRESENTATIVE OF THE ENTITY WHO HAS THE AUTHORITY TO COMMUNICATE**
13 **WITH THE PUBLIC ABOUT THE ENTITY.**

- 14 **(2) THE CERTIFICATE SHALL BE:**
- 15 **(I) IN WRITING; AND**
 - 16 **(II) AFFIRMED OR ACKNOWLEDGED UNDER OATH.**

17 **(C) THE DEPARTMENT SHALL PROVIDE THE INFORMATION PROVIDED**
18 **UNDER SUBSECTION (B) OF THIS SECTION ON REQUEST BY A UNIT OF LOCAL**
19 **GOVERNMENT IN THE STATE.**

20 **Article – Land Use**

21 1–401.

22 (a) Except as provided in this section, this division does not apply to charter
23 counties.

24 (b) The following provisions of this division apply to a charter county:

25 (1) this subtitle, including Parts II and III (Charter county –
26 Comprehensive plans),

- 1 (2) § 1–101(l), (m), and (o) (Definitions – “Plan”, “Priority funding area”,
2 and “Sensitive area”);
- 3 (3) § 1–201 (Visions);
- 4 (4) § 1–206 (Required education);
- 5 (5) § 1–207 (Annual report – In general);
- 6 (6) § 1–208 (Annual report – Measures and indicators);
- 7 (7) Title 1, Subtitle 3 (Consistency);
- 8 (8) Title 1, Subtitle 5 (Growth Tiers);
- 9 (9) § 4–104(c) (Limitations – Bicycle parking);
- 10 (10) § 4–104(d) (Limitations – Manufactured homes and modular dwellings);
- 11 (11) § 4–208 (Exceptions – Maryland Accessibility Code);
- 12 (12) § 4–210 (Permits and variances – Solar panels);
- 13 (13) § 4–211 (Change in zoning classification – Energy generating systems);
- 14 (14) § 4–212 (Agritourism);
- 15 (15) § 4–213 (Alcohol production);
- 16 (16) § 4–214 (Agricultural alcohol production);
- 17 (17) § 4–215 (Pollinator–friendly vegetation management);
- 18 (18) § 4–216 (Limitations – Family child care homes and large family child
19 care homes);
- 20 (19) Title 4, Subtitle 5 (Accessory Dwelling Units);
- 21 (20) § 5–102(d) (Subdivision regulations – Burial sites);
- 22 (21) § 5–104 (Major subdivision – Review);
- 23 (22) Title 7, Subtitle 1 (Development Mechanisms);
- 24 (23) Title 7, Subtitle 2 (Transfer of Development Rights);

1 (24) except in Montgomery County or Prince George's County, Title 7,
2 Subtitle 3 (Development Rights and Responsibilities Agreements);

3 (25) Title 7, Subtitle 4 (Inclusionary Zoning);

4 (26) Title 7, Subtitle 5 (Housing Expansion and Affordability);

5 (27) § 8–401 (Conversion of overhead facilities);

6 (28) for Baltimore County only, Title 9, Subtitle 3 (Single–County Provisions
7 – Baltimore County);

8 (29) for Frederick County only, Title 9, Subtitle 10 (Single–County
9 Provisions – Frederick County);

10 (30) for Howard County only, Title 9, Subtitle 13 (Single–County Provisions
11 – Howard County);

12 (31) for Talbot County only, Title 9, Subtitle 18 (Single–County Provisions
13 – Talbot County); [and]

14 (32) Title 11, Subtitle 2 (Civil Penalty); AND

15 **(33) TITLE 12 (HOUSING TARGETS AND AFFORDABILITY).**

16 (c) This section supersedes any inconsistent provision of Division II of this article.

17 **7–106.**

18 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
19 **INDICATED.**

20 **(2) “HOUSING DEVELOPMENT PROJECT” MEANS THE NEW**
21 **CONSTRUCTION OR SUBSTANTIAL RENOVATION OF A RESIDENTIAL REAL ESTATE**
22 **PROJECT.**

23 **(3) “HOUSING DEVELOPMENT PROJECT APPLICATION” MEANS AN**
24 **APPLICATION FOR A BUILDING PERMIT, CERTIFICATION, AUTHORIZATION, SITE**
25 **PLAN APPROVAL, SUBDIVISION APPROVAL, CONCEPTUAL PLAN, OR ANY OTHER**
26 **DETERMINATION BY A LOCAL JURISDICTION RELATING TO A HOUSING**
27 **DEVELOPMENT PROJECT THAT HAS BEEN SUBMITTED TO A LOCAL JURISDICTION IN**
28 **COMPLIANCE WITH APPLICABLE REQUIREMENTS.**

29 **(B) AFTER MAKING A DETERMINATION THAT THERE IS A SHORTAGE OF**
30 **AFFORDABLE HOUSING IN A LOCAL JURISDICTION, THE GOVERNING BODY OF A**

1 LOCAL JURISDICTION MAY ESTABLISH, BY LOCAL LAW, AN ADMINISTRATIVE
2 PROCESS TO REVIEW, APPROVE, MODIFY, OR DENY A HOUSING DEVELOPMENT
3 PROJECT APPLICATION.

4 (C) A LOCAL LAW THAT ESTABLISHES AN ADMINISTRATIVE PROCESS UNDER
5 SUBSECTION (B) OF THIS SECTION SHALL:

6 (1) DESIGNATE THE DEPARTMENT, OFFICIAL, OR STAFF THAT WILL
7 IMPLEMENT THE ADMINISTRATIVE PROCESS;

8 (2) PROVIDE THE PROCEDURES, CRITERIA, AND CONDITIONS FOR
9 THE ADMINISTRATIVE PROCESS;

10 (3) REQUIRE REASONABLE PUBLIC NOTICE AND OPPORTUNITY FOR
11 PUBLIC COMMENT DURING THE ADMINISTRATIVE PROCESS; AND

12 (4) ESTABLISH A PROCESS TO APPEAL A DECISION MADE THROUGH
13 THE ADMINISTRATIVE PROCESS.

14 (D) THIS SECTION MAY NOT BE CONSTRUED TO:

15 (1) LIMIT THE AUTHORITY OF A LOCAL JURISDICTION TO REVIEW,
16 APPROVE, OR DENY ANY MATTER UNDER ITS JURISDICTION; OR

17 (2) UNLESS AUTHORIZED BY LOCAL LAW, TRANSFER THE AUTHORITY
18 OF A LOCAL JURISDICTION TO MAKE A FINAL DECISION REGARDING A MATTER
19 DECIDED THROUGH THE ADMINISTRATIVE PROCESS.

20 10–103.

21 (a) Except as provided in this section, this division does not apply to Baltimore
22 City.

23 (b) The following provisions of this division apply to Baltimore City:

24 (1) this title;

25 (2) § 1–101(m) (Definitions – “Priority funding area”);

26 (3) § 1–101(o) (Definitions – “Sensitive area”);

27 (4) § 1–201 (Visions);

28 (5) § 1–206 (Required education);

- 1 (6) § 1–207 (Annual report – In general);
- 2 (7) § 1–208 (Annual report – Measures and indicators);
- 3 (8) Title 1, Subtitle 3 (Consistency);
- 4 (9) Title 1, Subtitle 4, Parts II and III (Home Rule Counties –
5 Comprehensive Plans; Implementation);
- 6 (10) § 4–104(c) (Limitations – Bicycle parking);
- 7 (11) § 4–104(d) (Limitations – Manufactured homes and modular dwellings);
- 8 (12) § 4–205 (Administrative adjustments);
- 9 (13) § 4–208 (Exceptions – Maryland Accessibility Code);
- 10 (14) § 4–210 (Permits and variances – Solar panels);
- 11 (15) § 4–211 (Change in zoning classification – Energy generating systems);
- 12 (16) § 4–215 (Pollinator–friendly vegetation management);
- 13 (17) § 4–216 (Limitations – Family child care homes and large family child
14 care homes);
- 15 (18) Title 4, Subtitle 5 (Accessory Dwelling Units);
- 16 (19) § 5–102(d) (Subdivision regulations – Burial sites);
- 17 (20) Title 7, Subtitle 1 (Development Mechanisms);
- 18 (21) Title 7, Subtitle 2 (Transfer of Development Rights);
- 19 (22) Title 7, Subtitle 3 (Development Rights and Responsibilities
20 Agreements);
- 21 (23) Title 7, Subtitle 4 (Inclusionary Zoning);
- 22 (24) Title 7, Subtitle 5 (Housing Expansion and Affordability); [and]
- 23 (25) Title 11, Subtitle 2 (Civil Penalty); AND
- 24 **(26) TITLE 12, SUBTITLE 3 (QUALIFIED AFFORDABLE HOUSING**
25 **PROJECTS).**

TITLE 12. HOUSING TARGETS AND AFFORDABILITY.**SUBTITLE 1. DEFINITIONS.****12-101.**

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "COMMISSION" MEANS THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION.

(C) "RESIDENTIAL" MEANS ANY USE APPROVED BY A LOCAL JURISDICTION OR THE COMMISSION THAT IS FOR EXISTING OR PROPOSED DWELLING UNITS.

SUBTITLE 2. HOUSING PRODUCTION TARGETS.**12-201.**

(A) ON OR BEFORE JANUARY 1, 2031, AND EACH JANUARY 1 FOLLOWING A UNITED STATES DECENNIAL CENSUS THROUGH JANUARY 1, 2051, THE GOVERNOR OR THE GOVERNOR'S DESIGNEE SHALL ESTABLISH HOUSING PRODUCTION TARGETS FOR:

(1) THE STATE;

(2) EACH COUNTY; AND

(3) EACH MUNICIPAL CORPORATION THAT EXERCISES ZONING OR PLANNING AUTHORITY.

(B) IN ESTABLISHING THE HOUSING PRODUCTION TARGETS UNDER SUBSECTION (A) OF THIS SECTION, THE GOVERNOR SHALL:

(1) ANALYZE DATA AND FORECASTS RELATED TO:

(I) EMPLOYMENT DEMAND;

(II) HOUSING DEMAND;

(III) POPULATION GROWTH;

(IV) INFRASTRUCTURE CAPACITY AND CONSTRAINTS; AND

1 (V) ANY OTHER RELATED INFORMATION;

2 (2) CONSULT WITH EACH LOCAL JURISDICTION THAT MAY HAVE
3 HOUSING PRODUCTION TARGETS ESTABLISHED UNDER SUBSECTION (A) OF THIS
4 SECTION; AND

5 (3) CONSULT WITH THE COMMISSION ABOUT HOUSING PRODUCTION
6 TARGETS THAT MAY BE ESTABLISHED WITHIN THE COMMISSION'S JURISDICTION.

7 (C) THE GOVERNOR SHALL:

8 (1) REEVALUATE AND REVISE THE ESTABLISHED HOUSING
9 PRODUCTION TARGETS; AND

10 (2) IN CONSULTATION WITH THE MARYLAND ASSOCIATION OF
11 COUNTIES AND THE MARYLAND MUNICIPAL LEAGUE, DEVELOP METRICS TO
12 MEASURE THE PROGRESS TOWARD THE HOUSING PRODUCTION TARGETS.

13 (D) (1) THE GOVERNOR SHALL PUBLISH THE CURRENT HOUSING
14 PRODUCTION TARGETS ESTABLISHED UNDER THIS SECTION ON THE GOVERNOR'S
15 WEBSITE AND NOTIFY EACH APPLICABLE LOCAL JURISDICTION AND THE
16 COMMISSION OF THE TARGETS IN A TIMELY MANNER.

17 (2) THE PUBLICATION UNDER THIS SUBSECTION SHALL PROVIDE A
18 SUPPORTING BASIS FOR THE HOUSING PRODUCTION TARGETS THAT ARE
19 ESTABLISHED.

20 (3) WITHIN 1 MONTH AFTER THE PUBLICATION OF HOUSING
21 PRODUCTION TARGETS, THE GOVERNOR SHALL SUBMIT, IN ACCORDANCE WITH §
22 2-1257 OF THE STATE GOVERNMENT ARTICLE, A REPORT ON THE INFORMATION
23 PUBLISHED REGARDING HOUSING PRODUCTION TARGETS TO THE GENERAL
24 ASSEMBLY.

25 (E) (1) ON OR BEFORE JANUARY 1 FOLLOWING PUBLICATION OF THE
26 HOUSING PRODUCTION TARGETS AND ON OR BEFORE JANUARY 1 EACH YEAR
27 THEREAFTER, THE GOVERNOR SHALL PUBLISH A REPORT THAT:

28 (I) IDENTIFIES THE HOUSING PRODUCTION TARGETS FOR THE
29 STATE AND EACH LOCAL JURISDICTION;

30 (II) ASSESSES THE CUMULATIVE PROGRESS AND THE PROGRESS
31 FOR THE PRIOR YEAR OF THE STATE AND EACH LOCAL JURISDICTION TOWARD

1 MEETING APPLICABLE HOUSING PRODUCTION TARGETS USING THE METRICS
2 DEVELOPED UNDER SUBSECTION (C)(2) OF THIS SECTION;

3 (III) FOR ANY HOUSING PRODUCTION TARGET THAT THE
4 GOVERNOR DETERMINES IS NOT PRACTICABLY MEASURED BY THE METRICS
5 DEVELOPED UNDER SUBSECTION (C)(2) OF THIS SECTION, INCLUDES AN
6 EXPLANATION THAT THE HOUSING PRODUCTION TARGET MAY NOT BE PRACTICABLY
7 MEASURED AND A DESCRIPTION OF THE STATUS TOWARD ACHIEVING THE HOUSING
8 PRODUCTION TARGET; AND

9 (IV) PROVIDES A SUPPORTING BASIS FOR ANY ALTERATION TO
10 AN ESTABLISHED HOUSING PRODUCTION TARGET.

11 (2) (I) THE GOVERNOR SHALL PUBLISH THE REPORT ON THE
12 GOVERNOR'S WEBSITE AND NOTIFY EACH APPLICABLE LOCAL JURISDICTION AND
13 THE COMMISSION OF THE REPORT IN A TIMELY MANNER.

14 (II) WITHIN 1 MONTH AFTER THE PUBLICATION OF THE REPORT
15 REQUIRED IN PARAGRAPH (1) OF THIS SUBSECTION, THE GOVERNOR SHALL SUBMIT
16 THE REPORT, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT
17 ARTICLE, TO THE GENERAL ASSEMBLY.

18 12-202.

19 (A) (1) IF THE COMMISSION OR A LOCAL JURISDICTION DISAGREES WITH
20 THE HOUSING PRODUCTION TARGET ESTABLISHED UNDER § 12-201 OF THIS
21 SUBTITLE, THE LOCAL JURISDICTION MAY PROPOSE AN ALTERNATIVE HOUSING
22 PRODUCTION TARGET IN ACCORDANCE WITH THIS SECTION.

23 (2) WITHIN 180 DAYS AFTER THE GOVERNOR PROVIDES THE NOTICE
24 REQUIRED UNDER § 12-201(D)(1) OF THIS SUBTITLE, THE COMMISSION OR A LOCAL
25 JURISDICTION SHALL NOTIFY THE GOVERNOR OF THE LOCAL JURISDICTION'S
26 PROPOSED ALTERNATIVE HOUSING PRODUCTION TARGET BY SUBMITTING WRITTEN
27 JUSTIFICATION THAT INCLUDES:

28 (I) LOCAL DATA ON HOUSING NEED AND DEMAND;

29 (II) PLANNING AND ZONING CAPACITY;

30 (III) INFRASTRUCTURE AVAILABILITY OR CONSTRAINTS;

31 (IV) ENVIRONMENTAL OR TOPOGRAPHIC LIMITATIONS; AND

1 (V) ANY OTHER RELEVANT LOCAL CONSIDERATIONS.

2 (B) (1) ON RECEIPT OF A PROPOSED ALTERNATIVE HOUSING
3 PRODUCTION TARGET, THE GOVERNOR SHALL:

4 (I) REVIEW THE SUBMISSION FOR CONSISTENCY WITH
5 STATEWIDE GOALS AND METHODOLOGIES USED TO DETERMINE THE LOCAL
6 JURISDICTION'S HOUSING PRODUCTION TARGET; AND

7 (II) CONSIDER THE WRITTEN JUSTIFICATION PROVIDED BY THE
8 LOCAL JURISDICTION.

9 (C) (1) WITHIN 30 DAYS AFTER RECEIPT OF THE PROPOSED
10 ALTERNATIVE HOUSING PRODUCTION TARGET, THE GOVERNOR SHALL ISSUE A
11 WRITTEN DECISION ADOPTING, MODIFYING, OR REJECTING THE PROPOSED
12 ALTERNATIVE HOUSING PRODUCTION TARGET.

13 (2) IF THE GOVERNOR DOES NOT ADOPT, REJECT, OR MODIFY THE
14 ALTERNATIVE HOUSING PRODUCTION TARGET WITHIN 30 DAYS AFTER RECEIPT OF
15 THE PROPOSED ALTERNATIVE HOUSING PRODUCTION TARGET, THE PROPOSED
16 ALTERNATIVE SHALL BE DEEMED APPROVED.

17 (3) IF THE GOVERNOR MODIFIES OR REJECTS THE PROPOSED
18 ALTERNATIVE HOUSING PRODUCTION TARGET, THE LOCAL JURISDICTION MAY
19 REQUEST A CONFERENCE WITH THE GOVERNOR'S OFFICE TO REVIEW AND
20 CONSIDER ALTERNATIVE HOUSING PRODUCTION TARGETS.

21 (4) IF THE GOVERNOR AND THE LOCAL JURISDICTION DO NOT AGREE
22 ON A HOUSING PRODUCTION TARGET, THE GOVERNOR SHALL:

23 (I) DETERMINE THE HOUSING PRODUCTION TARGET FOR THE
24 LOCAL JURISDICTION; AND

25 (II) INCLUDE THE LOCAL JURISDICTION'S PROPOSED
26 ALTERNATIVE HOUSING PRODUCTION TARGET AND THE JUSTIFICATION FOR THE
27 TARGET AS AN APPENDIX TO THE ANNUAL REPORT REQUIRED UNDER § 12-201(D)
28 OF THIS SUBTITLE.

29 SUBTITLE 3. QUALIFIED AFFORDABLE HOUSING PROJECTS.

30 12-301.

1 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
2 INDICATED.

3 (B) "AFFORDABLE DWELLING UNIT" MEANS A DWELLING UNIT THAT IS
4 AFFORDABLE TO HOUSEHOLDS EARNING 60% OR LESS OF THE AREA MEDIAN
5 INCOME.

6 (C) "AREA MEDIAN INCOME" MEANS THE MEDIAN HOUSEHOLD INCOME FOR
7 THE AREA ADJUSTED FOR HOUSEHOLD SIZE AS PUBLISHED AND ANNUALLY
8 UPDATED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

9 (D) "HOUSING-SENSITIVE FEE" MEANS A DEVELOPMENT IMPACT FEE
10 AUTHORIZED UNDER TITLE 20, SUBTITLE 7 OF THE LOCAL GOVERNMENT ARTICLE
11 OR ANY OTHER LAW.

12 (E) (1) "HOUSING-SENSITIVE TAX" INCLUDES:

13 (I) A DEVELOPMENT EXCISE TAX AUTHORIZED UNDER TITLE
14 20, SUBTITLE 8 OF THE LOCAL GOVERNMENT ARTICLE OR ANY OTHER PUBLIC
15 GENERAL OR PUBLIC LOCAL LAW;

16 (II) THE RECORDATION TAX IMPOSED UNDER TITLE 12 OF THE
17 TAX - PROPERTY ARTICLE; AND

18 (III) THE COUNTY TRANSFER TAX AUTHORIZED UNDER TITLE 13,
19 SUBTITLE 4 OF THE TAX - PROPERTY ARTICLE.

20 (2) "HOUSING-SENSITIVE TAX" DOES NOT INCLUDE A TAX
21 AUTHORIZED OR IMPOSED BY:

22 (I) A COUNTY CHARTER; OR

23 (II) A PUBLIC LOCAL LAW THAT AUTHORIZES GENERAL TAXING
24 AUTHORITY.

25 (F) "QUALIFIED AFFORDABLE HOUSING PROJECT" MEANS A RESIDENTIAL
26 PROJECT THAT:

27 (1) CONSISTS OF NEW CONSTRUCTION OR SUBSTANTIAL
28 RENOVATION, AS ANNUALLY ESTABLISHED AND IDENTIFIED BY THE DEPARTMENT
29 OF HOUSING AND COMMUNITY DEVELOPMENT IN THE MULTIFAMILY RENTAL
30 FINANCING PROGRAM GUIDE;

1 **(2) CONTAINS AT LEAST 25% OF UNITS THAT ARE AFFORDABLE; AND**

2 **(3) IS DEED-RESTRICTED TO INCLUDE 25% OF UNITS THAT ARE**
3 **AFFORDABLE DWELLING UNITS FOR A PERIOD OF AT LEAST 40 YEARS.**

4 **12-302.**

5 **THIS SUBTITLE APPLIES ONLY TO:**

6 **(1) A COUNTY WITH A POPULATION OF AT LEAST 150,000 RESIDENTS,**
7 **NOT INCLUDING ANY RESIDENTS OF A MUNICIPAL CORPORATION LOCATED WITHIN**
8 **THE COUNTY; AND**

9 **(2) A MUNICIPAL CORPORATION.**

10 **12-303.**

11 **(A) (1) ON OR BEFORE JULY 1, 2027, EACH LOCAL JURISDICTION AND**
12 **THE COMMISSION SHALL ADOPT LOCAL PROJECT DESIGN GUIDELINES FOR**
13 **QUALIFIED AFFORDABLE HOUSING PROJECTS THAT INCLUDE REQUIREMENTS**
14 **CONCERNING:**

15 **(I) PARKING;**

16 **(II) MAXIMUM HEIGHT;**

17 **(III) SETBACK;**

18 **(IV) LOT AREA;**

19 **(V) OPEN SPACE;**

20 **(VI) INTERNAL VEHICLE AND PEDESTRIAN MOVEMENT;**

21 **(VII) LANDSCAPING;**

22 **(VIII) LIGHTING;**

23 **(IX) ARCHITECTURE; AND**

24 **(X) SIGNAGE.**

1 **(2) THIS SUBSECTION MAY NOT BE CONSTRUED TO PROHIBIT A**
2 **LOCAL JURISDICTION OR THE COMMISSION FROM REQUIRING A QUALIFIED**
3 **AFFORDABLE HOUSING PROJECT APPLICATION TO COMPLY WITH STANDARDS THAT**
4 **ARE MORE DETAILED OR STRINGENT THAN LOCAL PROJECT DESIGN GUIDELINES.**

5 **(B) (1) ON OR BEFORE JULY 1, 2027, EACH LOCAL JURISDICTION AND**
6 **THE COMMISSION SHALL IMPLEMENT A PREAPPROVAL BUILDING PERMIT**
7 **APPLICATION PROCESS FOR STANDARDIZED MODEL HOME DESIGNS.**

8 **(2) THE PROCESS REQUIRED UNDER THIS SUBSECTION SHALL:**

9 **(I) ALLOW BUILDERS AND DEVELOPERS TO SUBMIT MODEL**
10 **HOME DESIGNS FOR REVIEW AND APPROVAL BEFORE THE SUBMISSION OF**
11 **INDIVIDUAL BUILDING PERMIT APPLICATIONS;**

12 **(II) ENSURE THAT APPROVED MODEL PLANS ARE RETAINED BY**
13 **THE LOCAL JURISDICTION OR THE COMMISSION FOR REFERENCE AND REUSE**
14 **THROUGHOUT THE DURATION OF ANY DEVELOPMENT PROJECT;**

15 **(III) ELIMINATE REDUNDANT PLAN REVIEWS FOR EACH**
16 **SUBSEQUENT PERMIT APPLICATION USING AN APPROVED MODEL DESIGN,**
17 **PROVIDED THAT NO SUBSTANTIVE CHANGES ARE MADE TO THE APPLICATION;**

18 **(IV) REDUCE PERMIT PROCESSING TIMES FOR PRODUCTION**
19 **HOMES IN APPROVED SUBDIVISIONS; AND**

20 **(V) MAINTAIN COMPLIANCE WITH APPLICABLE BUILDING**
21 **CODES, ZONING REGULATIONS, AND DESIGN STANDARDS.**

22 **12-304.**

23 **(A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW THAT LIMITS A**
24 **HOUSING-SENSITIVE TAX OR HOUSING-SENSITIVE FEE, ON A FINDING BY A COUNTY**
25 **THAT THE COUNTY HAS A SHORTFALL IN TOTAL HOUSING UNITS OR A CLASS OF**
26 **AFFORDABLE HOUSING UNITS, THE COUNTY MAY ESTABLISH, BY LOCAL LAW:**

27 **(1) A REDUCED HOUSING-SENSITIVE TAX RATE OR**
28 **HOUSING-SENSITIVE FEE FOR A QUALIFIED AFFORDABLE HOUSING PROJECT; OR**

29 **(2) AN EXEMPTION FOR A QUALIFIED AFFORDABLE HOUSING**
30 **PROJECT.**

1 **(I) RESIDENTIAL REAL PROPERTY THAT IS NOT THE OWNER'S**
2 **PRINCIPAL RESIDENCE; AND**

3 **(II) OWNED BY AN INDIVIDUAL OR ENTITY THAT OWNS AT LEAST**
4 **20 RESIDENTIAL REAL PROPERTIES WITHIN BALTIMORE CITY OR THE COUNTY.**

5 **(3) A LOCAL LAW THAT ESTABLISHES A SUBCLASS OF REAL**
6 **PROPERTY UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT INCLUDE REAL**
7 **PROPERTY THAT IS:**

8 **(I) ACTIVELY RENTED AT AFFORDABLE HOUSING RATES AS**
9 **DEFINED BY THE LOCAL LAW; OR**

10 **(II) SUBJECT TO HOUSING AFFORDABILITY COVENANTS OR**
11 **SUBSIDIES.**

12 6–302.

13 (a) Except as otherwise provided in this section and after complying with § 6–305
14 of this subtitle, in each year after the date of finality and before the following June 20, the
15 Mayor and City Council of Baltimore City or the governing body of each county annually
16 shall set the tax rate for the next taxable year on all assessments of property subject to that
17 county's property tax.

18 (b) (1) Except as provided in [subsection (c)] **SUBSECTIONS (C), (E), AND (F)**
19 of this section and §§ 6–305 and 6–306 of this subtitle:

20 (i) there shall be a single county property tax rate for all real
21 property subject to county property tax except for operating real property described in §
22 8–109(c) of this article; and

23 (ii) the county tax rate applicable to personal property and the
24 operating real property described in § 8–109(c) of this article shall be no more than 2.5
25 times the rate for real property.

26 (2) Paragraph (1) of this subsection does not affect a special rate prevailing
27 in a taxing district or part of a county.

28 (c) (1) The Mayor and City Council of Baltimore City or the governing body of
29 a county may set a special rate for a vacant lot or improved property cited as vacant and
30 unfit for habitation or other authorized use on a housing or building violation notice.

31 (2) On or before December 1 each year, the Mayor and City Council of
32 Baltimore City or the governing body of a county that enacts a special rate under paragraph
33 (1) of this subsection shall report to the Department of Housing and Community

1 Development and, in accordance with § 2–1257 of the State Government Article, to the
2 General Assembly on:

3 (i) the special rate set under paragraph (1) of this subsection;

4 (ii) the number of properties to which the special rate applies;

5 (iii) the revenue change resulting from the special rate;

6 (iv) the use of the revenue from the special rate; and

7 (v) whether properties subject to the special rate are viable for
8 adaptive reuse, as defined in § 1–102 of the Housing and Community Development Article,
9 and plans to convert viable properties.

10 (d) The Mayor and City Council of Baltimore City may, by law, impose on real
11 property that would otherwise be exempt from property tax under § 7–202 or § 7–204 of
12 this article the general property tax rate set under subsection (b)(1)(i) of this section and
13 the special rate authorized under subsection (c)(1) of this section if the real property is:

14 (1) a vacant lot; or

15 (2) improved property cited as vacant and unfit for habitation or other
16 authorized use on a housing or building violation notice.

17 **(E) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE**
18 **GOVERNING BODY OF A COUNTY MAY SET A SPECIAL RATE FOR REAL PROPERTY**
19 **LOCATED IN A PRIORITY FUNDING AREA, AS DESIGNATED IN TITLE 5, SUBTITLE 7B**
20 **OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THAT CONSISTS OF**
21 **UNDEVELOPED, UNDERUTILIZED, OR VACANT LAND THAT IS ZONED FOR**
22 **RESIDENTIAL OR MIXED-USE DEVELOPMENT.**

23 **(2) THE REVENUE FROM THE SPECIAL RATE AUTHORIZED UNDER**
24 **PARAGRAPH (1) OF THIS SUBSECTION MAY BE USED ONLY FOR AFFORDABLE**
25 **HOUSING PROGRAMS, SCHOOL CONSTRUCTION, AND PURPOSES DIRECTLY RELATED**
26 **TO FACILITATING HOUSING CONSTRUCTION.**

27 **(F) (1) IN THIS SUBSECTION, “PRINCIPAL RESIDENCE” MEANS A**
28 **PROPERTY THAT AN INDIVIDUAL PRIMARILY RESIDES IN AND IS THE ADDRESS**
29 **LISTED ON THE INDIVIDUAL’S VOTING CARD, DRIVER’S LICENSE, AND INCOME TAX**
30 **RETURN.**

31 **(2) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE**
32 **GOVERNING BODY OF A COUNTY MAY SET A SPECIAL RATE FOR REAL PROPERTY**
33 **THAT IS:**

1 **(I) RESIDENTIAL REAL PROPERTY THAT IS NOT THE OWNER'S**
2 **PRINCIPAL RESIDENCE; AND**

3 **(II) OWNED BY AN INDIVIDUAL OR ENTITY THAT OWNS AT LEAST**
4 **20 RESIDENTIAL REAL PROPERTIES WITHIN BALTIMORE CITY OR THE COUNTY.**

5 **(3) THE REVENUE FROM THE SPECIAL RATE AUTHORIZED UNDER**
6 **PARAGRAPH (2) OF THIS SUBSECTION MAY BE USED ONLY FOR AFFORDABLE**
7 **HOUSING PROGRAMS, SCHOOL CONSTRUCTION, AND PURPOSES DIRECTLY RELATED**
8 **TO FACILITATING HOUSING CONSTRUCTION.**

9 SECTION 3. AND BE IT FURTHER ENACTED, That:

10 (a) On or before December 31, 2027, the Comptroller, in consultation with the
11 State Department of Assessments and Taxation, shall evaluate and report to the Governor
12 and, in accordance with § 2-1257 of the State Government Article, the General Assembly
13 on changes to State-level tax policies to reduce the disincentives to homeowners, including
14 older adults and families, to downsize or transition to smaller and more affordable homes.

15 (b) The report required under subsection (a) of this section shall:

16 (1) include recommendations regarding capital gains taxation and tax
17 deferrals or exemptions; and

18 (2) consider the impact of property tax reassessment practices and housing
19 turnover rates.

20 SECTION 4. AND BE IT FURTHER ENACTED, That:

21 (a) (1) The Department of Planning shall conduct a study and publish a
22 comprehensive report on housing infrastructure to assess how existing and planned
23 infrastructure systems support or constrain housing development across the State.

24 (2) The comprehensive report on housing infrastructure shall be organized
25 into the following four primary parts:

26 (i) water and sewer infrastructure;

27 (ii) school facility capacity;

28 (iii) transportation infrastructure; and

29 (iv) policy recommendations.

30 (b) (1) The water and sewer infrastructure part of the report shall:

1 (i) evaluate the interrelationship between current and projected
2 housing development patterns and the availability, condition, and capacity of water and
3 wastewater infrastructure; and

4 (ii) include an analysis of:

5 1. existing public water and sewer service areas, including
6 coverage gaps;

7 2. capacity constraints of wastewater treatment plants;

8 3. the availability and sustainability of private wells;

9 4. the use and environmental impact of septic systems; and

10 5. the age, condition, and maintenance needs of water and
11 sewer infrastructure.

12 (2) The Department of Planning shall consult and coordinate with the
13 following entities in developing the water and sewer infrastructure part of the report:

14 (i) the Department of the Environment;

15 (ii) the Maryland Department of Health;

16 (iii) the Department of Housing and Community Development;

17 (iv) the Maryland Municipal League;

18 (v) the Maryland Association of Counties;

19 (vi) the Maryland Building Industry Association;

20 (vii) the Maryland Association of Housing and Community
21 Development Agencies;

22 (viii) the Maryland Association of Municipal Wastewater Agencies;
23 and

24 (ix) the Washington Suburban Sanitary Commission.

25 (c) (1) The school facility capacity part of the report shall:

26 (i) assess the impact of housing development on public school
27 capacity across jurisdictions, including the ability of local education systems to
28 accommodate projected student enrollment growth associated with new housing; and

- 1 (ii) include an analysis of:
- 2 1. local and regional school facility utilization and capacity;
- 3 2. enrollment projections linked to housing development
- 4 trends;
- 5 3. State and local school construction funding processes; and
- 6 4. the adequacy of current school capacity assessment
- 7 methods.

8 (2) The Department of Planning shall consult and coordinate with the

9 following entities in developing the school facility capacity part of the report:

- 10 (i) the Interagency Commission on School Construction;
- 11 (ii) the State Department of Education;
- 12 (iii) the Public School Superintendents' Association of Maryland;
- 13 (iv) the Maryland Association of Boards of Education; and
- 14 (v) the Maryland Association of Counties.

15 (d) (1) The transportation infrastructure part of the report shall:

- 16 (i) analyze how access to safe, reliable, and efficient transportation
- 17 infrastructure influences housing development; and
- 18 (ii) include an analysis of:
- 19 1. the capacity and condition of existing road networks and
- 20 transit services;
- 21 2. the accessibility of new and proposed housing to major
- 22 employment centers;
- 23 3. transportation infrastructure needs related to infill and
- 24 greenfield development; and
- 25 4. opportunities for multimodal connectivity, including
- 26 walking, biking, and public transit.

27 (2) The Department of Planning shall consult and coordinate with the

28 following entities in developing the transportation infrastructure part of the report:

- 1 (i) the Department of Transportation;
- 2 (ii) the Maryland Association of Counties;
- 3 (iii) the Maryland Municipal League; and
- 4 (iv) the Maryland Building Industry Association.

5 (e) (1) The policy recommendations part of the report shall outline actionable
6 recommendations, based on findings in parts one, two, and three of the comprehensive
7 report on housing infrastructure, for State and local governments to support housing
8 development.

9 (2) The recommendations required under paragraph (1) of this subsection
10 shall:

11 (i) identify legislative, regulatory, or budgetary changes to better
12 integrate housing and infrastructure planning;

13 (ii) suggest improvements to coordination mechanisms among State
14 agencies and local governments;

15 (iii) propose incentives and funding strategies to encourage
16 infrastructure investment in priority housing areas; and

17 (iv) highlight best practices for State agencies and local
18 governments.

19 (f) On or before December 31, 2027, the Department of Planning shall publish
20 the comprehensive report on housing infrastructure on its website and provide copies to the
21 Governor and, in accordance with § 2–1257 of the State Government Article, the General
22 Assembly.

23 SECTION 5. AND BE IT FURTHER ENACTED, That:

24 (a) In this section, “qualified affordable housing project” has the meaning stated
25 in § 12–301 of the Land Use Article as enacted by Section 1 of this Act.

26 (b) The following State departments shall conduct a comprehensive internal
27 review of any existing process, procedure, regulation, policy, or approval requirement under
28 the department’s jurisdiction that impacts the permitting, review, funding, or development
29 of housing in the State:

30 (1) the Department of Agriculture;

31 (2) the Department of the Environment;

1 (3) the Maryland Department of Health;

2 (4) the Department of Housing and Community Development;

3 (5) the Maryland Department of Labor;

4 (6) the Department of Natural Resources;

5 (7) the Department of Planning; and

6 (8) the Department of Transportation.

7 (c) (1) A comprehensive internal review for each department required under
8 subsection (b) of this section shall:

9 (i) evaluate the department's review periods and identify instances
10 where the department consistently utilizes the maximum statutory or regulatory review
11 period and recommend bifurcated review periods to expedite approvals for simple or
12 low-risk housing projects;

13 (ii) evaluate the interpretation of laws, regulations, or other
14 standards that unnecessarily restrict housing projects and identify opportunities to provide
15 greater flexibility or alternative compliance mechanisms for existing interpretations of
16 laws, regulations, or other standards that unnecessarily restrict housing projects;

17 (iii) identify and evaluate overlapping or duplicative review
18 processes including the necessity of a review process where public infrastructure currently
19 services the housing project;

20 (iv) evaluate opportunities for permit coordination and joint
21 applications to improve coordination across departments and local governments including
22 coordination between the Department of the Environment, the Maryland Department of
23 Health, the Department of Natural Resources, and local governments for the review of
24 permits related to wetlands and stormwater management;

25 (v) identify and evaluate tailored, streamlined, or alternative
26 requirements for qualified affordable housing projects particularly in priority funding areas
27 and for projects that involve infill, redevelopment, or affordable housing;

28 (vi) identify opportunities to delegate project review responsibilities
29 performed by State entities to local governments;

30 (vii) identify technical barriers to housing projects that unnecessarily
31 delay housing projects and recommend alternatives;

1 (viii) identify State policies that prevent the funding or approval of
2 desirable housing types and recommend alternatives; and

3 (ix) recommend updates to streamline or provide flexibility in the
4 application of regulations related to critical areas and forest conservation requirements to
5 housing development and qualified affordable housing projects;

6 (2) The Maryland Department of Labor shall include in the Department's
7 comprehensive internal review a review of all building code requirements including energy
8 efficiency requirements, fire sprinkler or suppression mandates, and building performance
9 standards, and recommend requirements that should be modified, streamlined, or
10 suspended.

11 (d) (1) Departments required to conduct a comprehensive internal review
12 under this section shall, to the extent practicable, coordinate with other departments to
13 align reforms and reduce redundant reviews.

14 (2) Departments with overlapping or similar responsibilities, including the
15 Department of the Environment, the Maryland Department of Health, the Department of
16 Natural Resources, and the Department of Transportation, shall jointly identify options to
17 consolidate or parallel track the departments' reviews.

18 (e) (1) On or before December 31, 2026, each department required to prepare
19 a comprehensive internal review under subsection (b) of this section shall submit an
20 interim report to the Governor and, in accordance with § 2-1257 of the State Government
21 Article, the General Assembly that includes:

22 (i) a list of the department's policies and procedures that have been
23 reviewed;

24 (ii) a summary of the delays or inefficiencies identified;

25 (iii) recommended statutory, regulatory, or procedural reforms;

26 (iv) a timeline for implementation of any internal reforms; and

27 (v) any legislative or budgetary requests necessary to implement
28 any reforms.

29 (2) (i) On or before July 1, 2027, each department required to prepare
30 a comprehensive internal review under subsection (b) of this section shall submit a final
31 report on the comprehensive internal review to the Department of Planning.

32 (ii) On or before December 31, 2027, the Department of Planning
33 shall compile the final reports submitted under subparagraph (i) of this paragraph and
34 submit the compiled consolidated report to the Governor and, in accordance with § 2-1257
35 of the State Government Article, the General Assembly.

1 (iii) The Department of Planning shall make the consolidated report
2 publicly available.

3 SECTION 6. AND BE IT FURTHER ENACTED, That, if any provision of this Act or
4 the application of any provision of this Act to any person or circumstance is held invalid for
5 any reason in a court of competent jurisdiction, the invalidity does not affect other
6 provisions or any other application of this Act that can be given effect without the invalid
7 provision or application, and for this purpose the provisions of this Act are declared
8 severable.

9 SECTION 7. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
10 applicable to all taxable years beginning after June 30, 2026.

11 SECTION 8. AND BE IT FURTHER ENACTED, That Sections 1, 3, 4, 5, 6, and 7 of
12 this Act shall take effect October 1, 2026.

13 SECTION 9. AND BE IT FURTHER ENACTED, That, except as provided in Section
14 8 of this Act, this Act shall take effect June 1, 2026.