

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 691
Economic Matters

(Delegate Lopez, *et al.*)

Education, Energy, and the Environment

State Government - Procedures - Permitting Efficiency for Housing Development
Projects

This bill requires each unit in the Executive Branch of State government that is responsible for issuing a permit related to housing construction to adopt procedures to streamline the permitting process. A streamlined permitting process must meet specified minimum requirements, and units must consult with specified entities while developing the streamlined process. By December 1, 2027, the State Housing Ombudsman within the Department of Housing and Community Development (DHCD) must report to specified committees of the General Assembly on the development and implementation of the streamlined permitting processes.

Fiscal Summary

State Effect: Because a streamlined permitting requirement already exists in response to an Executive Order, affected State agencies can comply with the bill’s requirements with existing resources, as discussed below. Revenues are not affected.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Housing development project” means the new construction or substantial renovation of a residential real estate project. “Permit related to housing construction” means a permit or an approval required by law or regulation to be issued by a unit in the

Executive Branch of State government to specified construction entities in order to commence, continue, or support a housing development project. “Permit related to housing construction” includes a permit or an approval related to the construction or expansion of supportive infrastructure serving a housing development project.

A streamlined permitting process must, at a minimum, (1) to the extent feasible, allow for the concurrent filing and adjudication of multiple permits or approvals related to a particular housing development project; (2) in cases in which concurrent filing and adjudication is not feasible, provide for the predictable sequencing of filings and adjudications; and (3) establish a framework that allows for the expedited review of permits related to housing construction, including clear escalation and prioritization pathways.

In developing a streamlined permitting process, a unit must consult with (1) the unit’s permitting operations staff; (2) relevant stakeholders, including entities that frequently apply for permits; and (3) the State Housing Ombudsman. To the extent feasible, the State Housing Ombudsman must ensure consistency among the streamlined permitting processes developed by different units.

Notwithstanding any other provision of law, a unit in the Executive Branch of State government may, by agreement with a county or municipality, delegate to an appropriate local governmental unit any task related to the review or approval of permits related to housing construction within the county or municipality.

Current Law:

Permitting and Housing Construction

Executive Order [01.01.2025.19](#), among other things, requires each principal department of the Executive Branch that issues permits related to housing construction to:

- designate a senior point of contact for coordination and efficient processing of permits relating to housing construction;
- by January 1, 2026, submit to the Governor and the Maryland Coordinated Permitting Review Council updated permit application processing procedures with timelines for permits related to housing construction;
- by November 21, 2025, draft and submit to the Governor for review and approval standards and procedures for applicants for State-issued permits related to housing development projects to hire third-party reviewers to help expedite permitting timelines at the applicant’s expense, including specified information regarding third-party reviewers;

- upon approval by the Governor, complete implementation of the new third-party permitting standards and procedures for permits relating to housing development projects by March 1, 2026;
- by November 21, 2025, provide to the Governor a written enumeration and assessment of additional potential legislative, regulatory, and administrative actions to increase efficiency in permitting processes;
- for permit applications that require review by multiple State agencies or by different levels of government, to the extent allowed by law, engage in simultaneous, rather than sequential, review of such permit applications;
- by November 21, 2025, provide written recommendations to the Governor for ways to increase predictability and transparency related to applications for permits related to housing construction;
- fully digitize permit applications and permit fee payments within the existing budgetary authority no later than March 1, 2026; and
- seek every opportunity to provide transparency in the permit application process and, whenever possible, reduce processing times.

Information regarding State agencies' progress in streamlining existing permitting processes can be found on the Maryland Coordinated Permitting Review Council's [website](#).

State Housing Ombudsman

Executive Order 01.01.2025.19 also requires DHCD to designate a State Housing Ombudsman to facilitate navigation through local, State, and federal permitting processes and act as a liaison between DHCD and other State agencies, local governments and planning and zoning authorities, housing developers and other stakeholders, and local communities. The State Housing Ombudsman's duties include, among other things, (1) coordinating and reporting on the activities undertaken by Executive Branch departments and State agencies in regard to streamlined permitting; (2) facilitating and participating on DHCD's behalf in discussions between specified entities to assist with navigation through permitting requirements and processes; and (3) gathering and compiling information on local permitting and planning and zoning processes throughout the State and identifying "pain points" in those processes.

State Fiscal Effect: The requirements established under the bill are similar to those in Executive Order 01.01.2025.19. Specifically, each principal department of the Executive Branch that issues permits related to housing construction must adopt procedures to streamline and expedite the permitting process (albeit with the aid of third-party reviewers, at the applicant's expense) and engage in simultaneous review of permits related to housing construction. Furthermore, the State Housing Ombudsman is already tasked

with coordinating between affected State entities and relevant stakeholders regarding the permitting process. As the bill does not impose any requirements on State agencies that are not already required by (and being carried out in response to) the Executive Order, affected State agencies can comply with the bill's requirements with existing resources.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Association of County Health Officers; Calvert and Prince George's counties; Maryland-National Capital Park and Planning Commission; City of Annapolis; Maryland Municipal League; Maryland Department of the Environment; Department of Housing and Community Development; Maryland Department of Transportation; Department of Legislative Services

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