HB 1175

Department of Legislative Services

Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1175 (Delegate Allen)
Economic Matters and Ways and Means

Land Use - Residential Housing - Oversight, Regulation, and Taxation (Building Affordably in My Back Yard Act)

This bill establishes various provisions relating to residential housing development and availability in the State, including (1) a requirement that housing production targets be established for the State and local jurisdictions, beginning in 2031, and that progress toward the targets be assessed annually thereafter; (2) requirements that State agencies undertake specified reviews and evaluations of, among other things, State policies and practices; (3) requirements and authorizations applicable to local jurisdictions' development review processes; and (4) authorizations for local tax and fee incentives (and disincentives). **The bill's provisions take effect October 1, 2026, and the bill's local property tax provisions apply to all taxable years beginning after June 30, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by $536,900 in FY 2027, $521,900 in FY 2028, and by varying amounts in future years. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	$0	$0	$0	$0	$0
GF Expenditure	536,900	521,900	110,900	116,000	312,000
Net Effect	($536,900)	($521,900)	($110,900)	($116,000)	($312,000)

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

Local Effect: Local government finances are expected to be affected, as discussed below. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Provisions Applicable Statewide (or to State Agencies)

The bill establishes the following provisions that are applicable statewide or apply to State agencies:

(1) **Housing Production Targets** – By January 1, 2031, and each January 1 following a U.S. decennial census through January 1, 2051, the Governor, or the Governor's designee, must establish housing production targets for the State, each county, and each municipality that exercises zoning or planning authority. (The Department of Legislative Services (DLS) notes that there is some uncertainty whether the housing production target provisions of the bill apply to Baltimore City.) In establishing the housing production targets, the Governor must (1) analyze data and forecasts related to employment demand, housing demand, population growth, infrastructure capacity and constraints, and any other related information; (2) consult each local jurisdiction that may have housing production targets established pursuant to the bill; and (3) consult with the Maryland-National Capital Park and Planning Commission (M-NCPPC) about housing production targets that may be established within its jurisdiction.

The Governor must reevaluate and revise the established housing production targets and, in consultation with the Maryland Association of Counties (MACo) and the Maryland Municipal League (MML), develop metrics to measure the progress toward the housing production targets.

- ***Publication and Reporting*** – The Governor must publish the current housing production targets – including a supporting basis for the targets – on the Governor's website and notify each applicable local jurisdiction and M-NCPPC of the targets in a timely manner. Within one month after publication of the targets, the Governor must submit a report on the information published, to the General Assembly.

  In addition, by January 1 following the publication of the housing production targets, and annually thereafter, the Governor must publish a report that, among other things, (1) identifies the housing production targets for the State and each local jurisdiction and (2) assesses the cumulative progress and the progress for the prior year of the State and each local jurisdiction toward meeting applicable housing production targets using the metrics developed in consultation with MACo and MML. The Governor must publish the report

on the Governor's website and notify each applicable local jurisdiction and M-NCPPC of the report in a timely manner, and submit the report to the General Assembly within one month after publication.

- ***Alternative Housing Production Targets*** – A local jurisdiction or M-NCPPC may propose an alternative housing production target by submitting a written justification, within 180 days after receiving notice of the Governor's housing production targets, that includes (1) local data on housing need and demand; (2) planning and zoning capacity; (3) infrastructure availability or constraints; (4) environmental or topographic limitations; and (5) any other relevant local considerations. The bill specifies procedures for the Governor to review and either adopt, modify, or reject (within 30 days) a local jurisdiction's alternative housing production target.

(2) **Requirements of State Agencies**

- ***Comptroller, in consultation with the State Department of Assessments and Taxation*** – By December 31, 2027, the Comptroller, in consultation with the State Department of Assessments and Taxation (SDAT), must evaluate and report to the Governor and the General Assembly on changes to State-level tax policies to reduce the disincentives to homeowners, including older adults and families, to downsize or transition to smaller and more affordable homes. The report must (1) include recommendations regarding capital gains taxation and tax deferrals or exemptions and (2) consider the impact of property tax reassessment practices and housing turnover rates.

- ***Maryland Department of Planning*** – The Maryland Department of Planning (MDP) must conduct a study and publish a comprehensive report on housing infrastructure to assess how existing and planned infrastructure systems support or constrain housing development across the State. The comprehensive report must be organized into four primary parts, described in more detail in the bill (including detail on required evaluations/assessments, analyses, and consultation and coordination with specified agencies and entities): (1) water and sewer infrastructure; (2) school facility capacity; (3) transportation infrastructure; and (4) policy recommendations. By December 31, 2027, MDP must publish the comprehensive report on housing infrastructure on its website and provide copies to the Governor and the General Assembly.

- ***State Agencies*** – Various specified State agencies must conduct a comprehensive internal review of any existing process, procedure, regulation, policy, or approval requirement under the department's jurisdiction that impacts the permitting, review, funding, or development of housing in the State. The comprehensive internal reviews must meet requirements described in detail in the bill and the agencies must coordinate their efforts, to the extent practicable, to align reforms and reduce redundant reviews. Agencies with overlapping or similar responsibilities must jointly identify options to consolidate or parallel track the agencies' reviews. Each agency must submit (1) a specified interim report to the Governor and General Assembly by December 1, 2026, and (2) a final report to MDP by July 1, 2027. By December 31, 2027, MDP must compile the final reports of the agencies and submit a consolidated report to the Governor and the General Assembly. MDP must make the consolidated report publicly available.

(3) **Administrative Review Process** – The bill authorizes the governing body of a local jurisdiction – after making a determination that there is a shortage of affordable housing in the local jurisdiction – to establish, by local law, an administrative process to review, approve, modify, or deny a housing development project application. The local law must include specified provisions, including (1) procedures, criteria, and conditions for the administrative process; (2) required reasonable public notice and opportunity for public comment during the administrative process; and (3) a process to appeal a decision made through the administrative process.

(4) **Sale of Single-family Residential Property –** During the first 30 days after a person offers to sell improved, single-family residential real property to a third party, the person may accept an offer to purchase the property made only by (1) an individual; (2) a community development organization; (3) a nonprofit organization; or (4) a real estate enterprise that owns an interest in less than 3% of all residential real property located within the county in which the property is located. This provision does not apply to a sale in an action to foreclose a mortgage, a deed of trust, or any other lien.

(5) **Business Entity Disclosure of Contact Information –** Business entities that own residential real property in the State must file a certificate with the Department of Housing and Community Development (DHCD) each year that discloses the correct contact information for a representative of the entity who has the authority to communicate with the public about the entity. The certificate must be (1) in writing and (2) affirmed or acknowledged under oath. DHCD must provide this information on request by a unit of local government in the State.

Provisions Applicable Only to a County with a Population of at least 150,000 Residents and a Municipality

The bill establishes the following provisions that are applicable only to a county (including Baltimore City) with a population of at least 150,000 residents, not including any residents of a municipality located within the county, and a municipality:

(6) **Local Project Design Guidelines and Pre-approval Building Permit Application Process** – By July 1, 2027, each local jurisdiction and M-NCPPC must (1) adopt local project design guidelines for qualified affordable housing projects, including requirements concerning parking, maximum height, setback, lot area, open space, internal vehicle and pedestrian movement, landscaping, lighting, architecture, and signage and (2) implement a pre-approval building permit application process for standardized model home designs, that, among other things:

- allows builders and developers to submit model home designs for review and approval before the submission of individual building permit applications;
- eliminates redundant plan reviews for each subsequent permit application using an approved model design if no substantive changes are made to the application; and
- reduces permit processing time for production homes in approved subdivisions.

"Qualified affordable housing project" means a residential project that (1) consists of new construction or substantial renovation, as annually established and identified by DHCD in the Multifamily Rental Financing Program Guide; (2) contains at least 25% of units that are affordable (affordable to households earning 60% or less of the area median income); and (3) is deed-restricted to include 25% of units that are affordable dwelling units for a period of at least 40 years.

(7) **Housing-sensitive Tax and Fee Incentives –** Notwithstanding any other provision of law that limits a housing-sensitive tax (defined to include a development excise tax authorized under the Local Government Article or any other public general or public local law, and a recordation tax imposed, or a county transfer tax authorized, under the Tax-Property Article) or housing-sensitive fee (defined as a development impact fee authorized under the Local Government Article or any other law), on a finding by a county that the county has a shortfall in total housing units or a class of affordable housing units, the bill authorizes the county to establish, by local law:

- a reduced housing-sensitive tax rate or housing-sensitive fee for a qualified affordable housing project; or
- an exemption for a qualified affordable housing project.

A county that adopts a reduced housing-sensitive tax rate for a qualified affordable housing project, may establish higher housing-sensitive tax rates or housing-sensitive fees for classes of real property that are not part of a qualified affordable housing project.

A local law that establishes a reduced rate or exemption must be of limited duration or subject to termination based on quantifiable factors that determine the existence of a shortfall in total housing units or a class of affordable housing units in the county.

Provisions Applicable Only to Counties (including Baltimore City)

The bill establishes the following provisions that are applicable only to counties (including Baltimore City):

(8) **Tax on Transfers of Owner-occupied Property –** On a finding by a county that there is a shortfall in total housing units or a class of affordable housing units, the county may, establish, by local law, a tax on the transfer of owner-occupied property if following the transfer the property is no longer owner-occupied. The transfer tax authorized is in addition to the authority to impose a transfer tax authorized under the Tax-Property Article. The rate of the tax authorized may not exceed 5% of the consideration payable for the transfer. If a transfer of a property results in a portion of the property being owner-occupied, the tax applies to the consideration paid for the portion of the property that will not be owner-occupied.

(9) **Establishment of Subclasses of Real Property and Special Property Tax Rates –** The Mayor and City Council of Baltimore City or the governing body of a county may establish, by law:

- a subclass of real property located in a priority funding area that consists of undeveloped, underutilized, or vacant land zoned for residential or mixed-use development (the local law must (1) define undeveloped, underutilized, and vacant land and (2) be designed to discourage speculative landholding and promote timely development consistent with the local master plan and infrastructure support); and/or
- a subclass of residential real property that is not the owner's principal residence and owned by an individual or entity that owns at least 20 residential real properties within Baltimore City or the county (the local law may not include in the subclass real property that is actively rented at affordable housing rates or subject to housing affordability covenants or subsidies).

The Mayor and City Council of Baltimore City or the governing body of a county may set a special property tax rate for the types of property specified above that is different than the county property tax rate. Revenue from the special rate(s) may be used only for affordable housing programs, school construction, and purposes directly related to facilitating housing construction.

These provisions are applicable to all taxable years beginning after June 30, 2026.

Current Law: State law relevant to the bill's changes includes the following:

- **Land Use – Generally** – The regulation of land use in the State, through planning and zoning, is implemented by local governments, subject to applicable State law. Planning and zoning authority is delegated by the State to local governments primarily under the Land Use Article and, for certain counties, the Express Powers Act (Title 10 of the Local Government Article).

  Both the Land Use Article and Express Powers Act contain the State's policy statement 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.

  Division II of the Land Use Article establishes M-NCPPC (made up of the Montgomery County and Prince George's County planning boards) and governs planning and zoning within the Maryland-Washington Regional District (§ 20-101), which consists of (1) the entire area of Montgomery County, subject to certain limitations (relating to certain municipalities not subject to the planning and zoning authority of the county, unless by agreement, and other municipalities that have certain, limited planning and zoning authority) and (2) the entire area of Prince George's County, except for the City of Laurel as it existed on July 1, 2013.

- **Housing Production Targets** – The Governor issued a September 2025 executive order – Executive Order 01.01.2025.19 ("Addressing Maryland's Affordable Housing Crisis") – that requires DHCD to (1) designate a State Housing Ombudsman to facilitate and monitor housing production in the State; (2) publish housing production targets by January 1, 2026, and every five years thereafter for the State and each local jurisdiction, including a methodology and supporting basis for calculating the targets; and (3) publish an annual report on January 1, 2027, and annually thereafter, assessing the progress of the State and each local jurisdiction toward meeting the targets. DHCD published a report on January 1, 2026, establishing housing production targets for the State and each local jurisdiction through 2030.

- **State Permitting Acceleration** – Executive Order 01.01.2025.19 also required each principal department of the Executive Branch that issues permits related to housing construction to take specified actions relating to accelerating the issuance of such permits, including providing to the Governor's Office by November 21, 2025, (1) standards and procedures for third-party review of applications for State-issued permits to help expedite permitting timelines at the applicant's expense; (2) a written enumeration and assessment of additional potential legislative, regulatory, and administrative actions to increase efficiency in permitting processes; and (3) written recommendations for ways to increase predictability and transparency related to applications for permits related to housing construction.

- **Housing Expansion and Affordability Act of 2024** – Chapter 122 of 2024 (the Housing Expansion and Affordability Act of 2024), among other things, requires local jurisdictions to allow specified densities and uses in certain zoning areas for "qualified projects" (residential construction or renovation projects that include specified amounts of affordable housing) on specified property. Chapter 122 also prohibits a local jurisdiction from imposing any unreasonable limitations or requirements on a qualified project, including limitations on or requirements concerning (1) height; (2) setback; (3) bulk; (4) parking; (5) loading, dimensional, or area; or (6) similar requirements. "Unreasonable limitation or requirement" includes any limitation or requirement that amounts to a *de facto* denial by having a substantial adverse impact on (1) the viability of an affordable housing development in a qualified project; (2) the degree of affordability of affordable dwelling units in a qualified project; or (3) the allowable density or number of units of the qualified project.

- **Development Impact Fees and Excise Taxes** – Development impact fees and excise taxes enable local governments to collect revenue for new or expanded public facilities or services necessitated by new residential or commercial development, shifting the costs of financing the new or expanded facilities/services from existing taxpayers to those responsible for the development. See the attached **Appendix – Development Impact Fees and Excise Taxes** for information on the amount of fees and taxes (for single-family detached homes) and overall revenues collected by counties that impose the fees/taxes. And see this 2025 DLS report for citations/links to State enabling law and county implementing laws for development impact fees and excise taxes, as well as full fiscal 2025 fee/rate schedules, in the appendices, which include multifamily residential fee and tax amounts.

- **Local Recordation Taxes** – The recordation tax base includes the actual consideration paid for instruments conveying title to real property. Counties and Baltimore City are authorized to set their own recordation tax rates, which are

expressed as an amount per $500 of the consideration payable or principal amount of the debt secured. For fiscal 2026, recordation tax rates range from $2.50 per $500 of transaction in Baltimore and Howard counties to $7.00 per $500 of transaction in Charles and Frederick counties. In Montgomery County, specified surcharges are imposed on transactions valued at more than $500,000. A majority of counties have tax rates set between $3.00 and $5.00.

- **County Transfer Tax** – The State, Baltimore City, and 18 counties currently impose a transfer tax. Local transfer tax rates range from 0.5% in 8 counties (Allegany, Caroline, Cecil, Charles, Kent, Queen Anne's, Washington, and Worcester) to 1.5% in Baltimore City and Baltimore County. In Anne Arundel County, a 0.5% surcharge is imposed on specified transactions valued at $1.0 million or more, resulting in a 1.5% tax rate. Montgomery County imposes various rates depending on the value of the property. Five counties (Calvert, Carroll, Frederick, Somerset, and Wicomico) do not impose a local transfer tax.

  Of the charter and commission counties that impose a transfer tax, some incorporate the exemptions applicable to the State transfer tax, while exemptions in other counties are independently defined. In code counties, all the exemptions from the State transfer tax apply to the local transfer tax. All counties are authorized to exempt a portion of the consideration payable on owner-occupied residential property. Counties may also provide an exemption for first-time homebuyers.

- **Vacant Property – Subclass of Real Property and Special Property Tax Rate** – The Mayor and City Council of Baltimore City or the governing body of a county may (1) establish a subclass of real property consisting of vacant lots or improved property cited as vacant and unfit for habitation or other authorized use on a housing or building violation notice and (2) set a special property tax rate for these types of property that is different than the county property tax rate. The special rate, revenue impact, and other information must be reported annually to DHCD and the General Assembly.

State Expenditures: General fund expenditures increase by $536,876 in fiscal 2027, which accounts for the bill's October 1, 2026, effective date. This estimate reflects the following MDP and Comptroller costs:

- a consultant (or consultants) for MDP to handle a significant portion of the work (including data collection and analysis) necessary to complete the study and report on housing infrastructure, and potentially to also assist with coordination of agencies' comprehensive internal reviews of processes, procedures, regulations, policies, or approval requirements impacting permitting, review, funding, or development of housing in the State (MDP must compile agencies' reports on the reviews into a consolidated report by December 31, 2027, and presumably may have

a coordinating role throughout the reviews, in concert with its coordination with other agencies for the housing infrastructure study and report);

- one regular full-time administrator position for MDP to manage the consultant contract and provide initial and long-term technical assistance to local jurisdictions in implementing the bill's requirements and authorizations relating to local jurisdiction development review processes, informed by the housing infrastructure study and the coordinated State agency comprehensive internal reviews;
- one temporary contractual planner position for MDP to assist the administrator position in coordinating with the consultant, State agencies, and local jurisdictions in implementing the bill and the required reports; and
- a consultant for the Comptroller to evaluate and report on changes to State-level tax policies to reduce the disincentives to homeowners to downsize or transition to smaller and more affordable homes.

The estimate includes salaries, fringe benefits, one-time start-up costs, consultant costs, and ongoing operating expenses.

	FY 2027	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Regular Positions (New)	1.0	0.0	0.0	0.0	1.0
Contractual Position (New)	1.0	0.0	0.0	0.0	0.0
Salaries/Fringe Benefits	143,594	142,674	108,109	113,088	224,183
Consultant Costs	375,000	375,000	0	0	75,000
Other Operating Expenses	18,282	4,207	2,832	2,862	12,838
Total State Expenditures	**$536,876**	**$521,881**	**$110,941**	**$115,950**	**$312,021**

Future year expenditures reflect:

- an assumption that the costs of the consultants hired by MDP ($650,000 total) and the Comptroller (at least $100,000 total) are split between fiscal 2027 and 2028;
- the termination of the contractual planner position December 31, 2027;
- the hiring, by DHCD, of a regular, full-time administrator position, and DHCD consultant costs (in fiscal 2031 only), associated with establishing, and assessing progress toward, housing production targets required by the bill; and
- annual increases in ongoing operating expenses.

DHCD hiring a regular, full-time administrator position and incurring consultant costs assumes (1) that the Governor delegates the responsibility of establishing, and assessing progress toward, the housing production targets to DHCD and (2) once the housing productions targets are published, there will be ongoing work communicating with local jurisdictions regarding any disagreements with the targets, and monitoring, and producing annual reports on, progress toward the targets. While there is already a requirement in Executive Order 01.01.2025.19 to establish, and monitor progress toward, housing

production targets, the bill establishes the requirement in statute, in greater detail, and DHCD indicates it needs additional resources to meet the bill's housing production target requirements. DHCD expects to handle receipt of business entity contact information disclosures with existing resources.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

Other State Agencies

This analysis assumes SDAT can handle consultation with the Comptroller, regarding the Comptroller's evaluation and report, with existing resources.

Other State agencies have indicated that the bill's requirement that the agencies conduct a comprehensive internal review of existing processes, procedures, regulations, policies, or approval requirements under an agency's jurisdiction that impact the permitting, review, funding, or development of housing in the State, will divert staff time away from existing responsibilities, potentially significantly in some cases (*e.g.*, the Maryland Department of the Environment estimates that the review takes 600 hours of its staff's time). DLS notes, however, that at least some of the review work required under the bill may have already been performed pursuant to Executive Order 01.01.2025.19.

Local Expenditures: Local government expenditures may increase in some jurisdictions to implement the bill's requirements and/or authorizations applicable to their development review processes, based on information received from a small number of jurisdictions. Guidance and technical assistance available from MDP, to manage implementation of the changes, may limit the need for additional resources to an extent. Counties with under 150,000 residents are not affected by the *requirements* under the bill that directly affect local development review processes. (See the Additional Comments for the counties that are affected.)

Local Revenues: Local government revenues are affected to the extent local jurisdictions use the authorizations in the bill to establish tax or fee policies that generally incentivize residential housing development and availability and disincentivize the holding of residential housing for purposes other than as a primary residence. The bill allows for certain local jurisdictions to:

- provide exemptions from "housing-sensitive" taxes or fees for affordable housing projects, or reduced housing-sensitive tax rates or fees for affordable housing projects (along with the option of correspondingly applying higher rates/fees to other classes of property);

- establish a tax on transfers of owner-occupied property if, following the transfer, the property is no longer owner-occupied (if a county finds that there is a shortfall in total housing units or a class of affordable housing units); and
- establish subclasses of real property and associated special property tax rates for (1) undeveloped, underutilized, or vacant land in a priority funding area zoned for residential or mixed-use development and (2) real property that is not the owner's principal residence and owned by an individual or entity that owns at least 20 non-affordable housing residential properties within the county.

As stated in the Bill Summary, revenue generated from establishment of subclasses of real property and special property tax rates must be used only for affordable housing programs, school construction, and purposes directly related to facilitating housing construction.

The extent of any impact on local government revenues is subject to the individual jurisdictions' discretion as to whether and how to establish any of the above policies and cannot be reliably estimated.

Small Business Effect: Small businesses involved in residential housing development may meaningfully benefit from the bill to the extent (1) the bill's provisions establish more efficiency in local development review processes for residential development, including affordable housing development, and (2) local governments utilize the bill's tax/fee provisions to provide financial incentives for affordable housing and other residential development.

Additional Comments: Based on information obtained from MDP's website, the following counties (including Baltimore City) have at least 150,000 residents (excluding any area of a county consisting of municipalities that exercise planning and zoning authority): Anne Arundel, Baltimore, Charles, Frederick, Harford, Howard, Montgomery, and Prince George's counties, and Baltimore City.

Additional Information

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

Designated Cross File: None.

Information Source(s): Harford, Montgomery, Talbot, and Wicomico counties; Maryland Association of Counties; Maryland-National Capital Park and Planning Commission; Washington Suburban Sanitary Commission; Maryland Municipal League; Comptroller's Office; Governor's Office; Maryland State Department of Education; Interagency Commission on School Construction; Maryland Department of Agriculture;

Maryland Department of the Environment; Maryland Department of Health; Department of Housing and Community Development; Maryland Department of Labor; Department of Natural Resources; Maryland Department of Transportation; Department of Legislative Services

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Appendix – Development Impact Fees and Excise Taxes

This appendix compiles information on (1) the development impact fees and excise taxes imposed by Maryland counties and (2) the revenues generated by the fees/taxes. Development impact fees and excise taxes enable local governments to collect revenue for new or expanded public facilities or services necessitated by new residential or commercial development, shifting the costs of financing the new or expanded facilities/services from existing taxpayers to those responsible for the development.

The county development impact fees and excise taxes included in this appendix are those charges generally identified as development impact fees or excise taxes, or a variation of those terms (in some cases "surcharge" or "impact tax" is used). However, this appendix does not include all charges imposed on new development to generate revenue to cover costs of new or expanded public facilities/services. Some jurisdictions also impose water- and sewer-related charges (such as capital connection charges or system development charges), and/or mitigation payments based in the county's adequate public facilities ordinance, that generate revenue for new or expanded public facilities/services. While not focused on in this report, a number of Maryland's municipalities also impose impact fees or similar charges on new development to generate revenue for public facilities or services they provide.

The first table below shows the counties' fee amount or tax rate for a single-family detached home in each of fiscal 2024, 2025, and 2026.

The second table shows actual or projected/estimated revenues from counties' development impact fees and excise taxes for fiscal 2024, 2025, and 2026. This table is based primarily on information provided by the counties in response to the Department of Legislative Services' (DLS) and the Maryland Association of Counties' *FY 2026 Local Government Budget and Tax Rate Survey* conducted during summer 2025, supplemented by DLS follow up with certain counties. The extent to which the revenue amounts are actual vs. projected/estimated varies. The fiscal 2024 amounts are actual revenue amounts, and the fiscal 2025 and 2026 amounts are projected/estimated revenues in most cases; in limited cases, some counties were able to provide actual fiscal 2025 revenue amounts.

County Development Impact Fees and Excise Tax Rates[1]
Fiscal 2024-2026

County	FY 2024	FY 2025	FY 2026
Anne Arundel[2]	$16,217	$16,636	$16,903
Baltimore[3]	1.5% of gross sales	$6.00/sq. ft.	$6.00/sq. ft.
Calvert	12,950	12,950	12,950
Caroline	5,000	5,000	5,000
Carroll[4]	3,533	3,533	3,533
Charles	20,330	21,351	21,972
Dorchester[5]	0	0	5,000
Frederick[6]	17,961	18,851	19,408
Harford[7]	6,000	10,000	10,000
Howard[8]	$9.77/sq. ft.	$10.05/sq. ft.	$10.27/sq. ft.
Montgomery[9]	56,274	56,274	59,854
Prince George's[10]	29,188	30,180	30,875
Queen Anne's	$5.85/sq. ft.	$5.85/sq. ft.	$5.99/sq. ft.
St. Mary's	6,697	6,697	6,697
Talbot[11]	9,091	9,091	9,356
Washington	$1.00/sq. ft.	$1.00/sq. ft.	$1.00/sq. ft.

sq. ft.: square foot

[1] Fees/rates listed are those applicable to single-family detached dwellings and are per dwelling unless otherwise indicated.
[2] Rates are for a 2,000 to 2,499 sq. ft. residential unit. Residential rates vary by the square footage of a unit.
[3] Baltimore County Bill 45-24 established a $6.00 per square foot development impact fee for residential development effective August 25, 2024.
[4] The schools portion of the impact fee was increased from $0 to $3,000, increasing the total impact fee from $533 to $3,533, effective September 1, 2023.
[5] The county development excise tax had been suspended since 2014, but the suspension ended in fiscal 2026.
[6] The rates shown reflect the public school and library impact fee total.
[7] The impact fee was increased from $6,000 to $10,000 – effective March 1, 2025 – pursuant to Bill No. 24-033.
[8] The fiscal 2024, 2025, and 2026 amounts represent the total of the roads tax amount ($1.90/sq. ft., $1.90/sq. ft., and $1.92/sq. ft., respectively) and the school surcharge amount ($7.87/sq. ft., $8.15/sq. ft., and $8.35/sq. ft., respectively).
[9] Amounts shown in the table represent the highest rates, that only apply in certain areas. The fiscal 2026 amount represents $31,301 for schools in turnover impact areas and $28,553 for transportation in yellow and green policy areas. (In fiscal 2026, the other transportation rates are $22,841 in orange policy areas and $9,139 in red policy areas, and the other schools rate, in infill impact areas, is $30,005.)
[10] Amounts shown in the table represent the total of the school facilities and public safety/behavioral health amounts. The fiscal 2026 amount represents $20,972 for school facilities and $9,903 for public safety/behavioral health. A lower school facilities rate ($12,220 in fiscal 2026) applies inside the beltway and to certain development near mass transit, and a lower public safety/behavioral health rate ($3,303 in fiscal 2026) applies inside Transportation Service Area 1 as defined in the Prince George's County Approved General Plan and to certain development near mass transit.
[11] A lower rate ($8,080 in fiscal 2026) applies to development inside municipalities.

Source: Department of Legislative Services

County Development Impact Fee and Excise Tax Revenues
Fiscal 2024-2026

				FY 2024-2025		FY 2025-2026	
County	**FY 2024**	**FY 2025**	**FY 2026**	**Difference**	**% Difference**	**Difference**	**% Difference**
Anne Arundel	$26,733,231	$15,890,000	$18,144,000	-$10,843,231	-40.6%	$2,254,000	14.2%
Baltimore[1]	-	-	-	-	-	-	-
Calvert	729,097	2,650,094	634,314	1,920,997	263.5%	-2,015,780	-76.1%
Caroline	100,284	100,575	100,000	291	0.3%	-575	-0.6%
Carroll	n/a	n/a	n/a	-	-	-	-
Charles	13,399,715	14,385,288	15,574,000	985,573	7.4%	1,188,712	8.3%
Dorchester[2]	0	0	75,000	0	0.0%	75,000	-
Frederick	21,569,252	18,167,170	20,106,910	-3,402,082	-15.8%	1,939,740	10.7%
Harford	2,805,000	4,241,956	6,000,000	1,436,956	51.2%	1,758,044	41.4%
Howard	16,269,060	19,400,000	20,000,000	3,130,940	19.2%	600,000	3.1%
Montgomery	15,574,734	29,464,000	13,832,000	13,889,266	89.2%	-15,632,000	-53.1%
Prince George's	52,116,000	67,780,660	48,000,000	15,664,661	30.1%	-19,780,660	-29.2%
Queen Anne's	2,863,257	2,606,546	2,629,939	-256,711	-9.0%	23,393	0.9%
St. Mary's	1,342,508	1,500,000	1,500,000	157,492	11.7%	0	0.0%
Talbot	769,787	993,000	1,602,272	223,213	29.0%	609,272	61.4%
Washington	1,143,263	2,038,226	600,000	894,963	78.3%	-1,438,226	-70.6%
Total	**$155,415,187**	**$179,217,515**	**$148,798,435**	**$23,802,328**	**15.3%**	**-$30,419,080**	**-17.0%**

n/a: not available at the time of publication

[1] The county imposes a development impact surcharge on new nonresidential construction and a development impact fee on new residential construction; however, minimal revenues have been collected from the surcharge and fee to date and substantial revenues are not expected in fiscal 2026.

[2] The county development excise tax had been suspended since 2014, but the suspension ended in fiscal 2026.

Source: Department of Legislative Services