



Maryland
DEPARTMENT OF PLANNING

HEARING DATE: February 22, 2021

BILL NO: HB705

COMMITTEE: Environment & Transportation

POSITION: Letter of Information

FOR INFORMATION CONTACT: Adam Gruz (410) 767-4613

TITLE:

Land Use - Reporting - Annual Reports and Development of New Housing

BILL ANALYSIS:

HB705 removes the exemption of a jurisdiction having less than 50 new housing units per year from reporting on measures and indicators in their annual report. The bill further requires each local jurisdiction to submit an annual report, beginning July 1, 2023 and each July 1 thereafter, to the Maryland Department of Planning (Planning or the Department) that contains information on residential building permit activity issued during the previous calendar year. HB705 would require the Department to develop regulations that establish a methodology for local jurisdictions to follow when preparing said report.

The bill also requires Planning to submit an annual report, beginning October 1, 2023, and each October 1 thereafter, to the Maryland General Assembly on the development of housing in the state during the previous calendar year. The information related to the development of housing, for purposes of this report, includes: (1) residential building permits, (2) the total number of dwelling units that will be created, and (3) each type of residential building produced in the local jurisdiction. Finally, the bill enables Planning to partner with the Maryland State Department of Assessments and Taxation as part of the preparation of the report in question.

POSITION AND RATIONALE:

As discussed above, the bill creates reporting requirements for each local jurisdiction and Planning. **These new reports are in addition to the local government annual reporting that is already required under §§ 1-207 and 1-208 of the Land Use Article.** As part of the Department's current annual reporting requirements, it conducts extensive outreach and technical assistance to local jurisdictions to assist them with preparing their annual reports. However, this bill will require not only summary totals of new housing units permitted, but also require detailed building permit information from each county and municipality to determine when a new housing unit is added to the tax rolls.

Any expansion of the local government reporting requirements can be incorporated into the Department's local government annual report that it would be required to submit to the Maryland General Assembly on October 1 of each year if this bill passes, pursuant to § 2-1257 of the State Government Article. Given that Planning already submits an annual report, it may be worth amending the current reporting requirements to include the newly proposed reports, which could all be submitted as one large local government report, on each January 1.

It should be noted that each local jurisdiction has its own process of issuing building permits and conducting inspections. The State Department of Assessments and Taxation has advised that it does not possess the information required for the report, nor does it possess a methodology for obtaining such information, as required by § 1-209(B) of the bill.

Planning conducted a building permit software survey of local governments in fall 2020 to better understand the approaches taken by counties and municipalities that administer the building permit and inspection process, and to identify what software tools jurisdictions use.¹ As noted in the report, more than 40% of Maryland's counties provided building permit and inspection services for their municipalities. The report also found that a relatively limited number of software vendors support building permit tracking for Maryland jurisdictions. The top six software firms used by jurisdictions process 75% of all new housing permits on an annual basis in Maryland. While most counties and a majority of municipalities responding to the survey indicate they report local building activity, less than half of the counties and 20% of the municipalities post building reports online.

All counties have some form of computerized building permit tracking system, but based on the respondents of the Department's survey, seven municipalities (10%) report not using any building permit software and do not appear to use the county's building permit system. Presumably, these municipalities issue and track building permits using handwritten logs.

It is likely that this bill will have an impact on local government reporting of housing building permit information. Some modifications of building permit tracking software or changes to local building tracking procedures may be needed to submit the information required in this bill. For

¹ That report is published in Planning's website at planning.maryland.gov/Pages/OurWork/planningcoord.aspx.

the CY20 reporting period, Planning received 59 annual reports reflecting activity in 16 of 23 counties (see map above), and 43 municipalities. The table below lists the reporting activity for the past several years.

Calendar Year	No. of Reports	Counties Reporting	Municipalities Reporting
2020	59	16	43
2019	55	14	41
2018	56	17	39
2017	51	17	34
2016	70	18	52
2015	97	20	77
2014	56	15	41
2013	70	16	54
2012	100	21	79

The reporting requirement applies only to jurisdictions with planning and zoning authority, which includes 23 counties, Baltimore City, and 108 municipalities for a total of 132 jurisdictions.