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## Maryland DEPARTMENT OF PLANNING

**HEARING DATE:** February 25th at 1:00 PM

**BILL NO:** SB 944

**COMMITTEE:** Education, Energy, and the Environment

**POSITION:** Informational

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**TITLE:** Housing Development Permits - Local Reporting Requirements (Maryland Housing Data Transparency Act)

**BILL ANALYSIS:**

SB0944/HB1193 adds reporting requirements for counties and municipalities that issue more than 50 new residential building permits in a year, beyond those already required under §1–208(e) of the Land Use Article (LUA). This bill goes beyond the current mandated summary reporting to require jurisdictions to provide more detailed information on residential building permit activity monthly to the Maryland Department of Planning (MDP). MDP is required to develop and post online an interactive dashboard of housing building permit data with an associated map capable of displaying queried information. MDP must also submit an annual report to the Governor and General Assembly on building permit activity received from the participating jurisdictions.

Title 12, §12–505, of the Public Safety Article requires that each local jurisdiction shall enforce the current version of the Maryland Building Performance Standards. At a minimum, the local jurisdiction shall implement these standards by reviewing plans, issuing building permits, inspecting the work, and issuing use/occupancy certificates. How local jurisdictions fulfill this responsibility varies among counties and municipalities across the state due to local capacity limitations and commitment to the process.

MDP's [2020 survey of county and municipal building permit software systems](#) showed that most counties and larger municipalities are using third-party building permit software. There is a relatively limited number of software vendors supporting 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.

Each jurisdiction customizes their building permit software system to collect data related to their planning, zoning and building review processes. There are some common building permit data elements, but there is a wide variance in what information is collected locally and how it is coded into their system.

While building permit information is public record, local governments do not have statewide building permit data standards that would enable data compatibility among jurisdictions. MDP has been working for several years with about a dozen local governments that have voluntarily shared monthly building permit information for a pilot project to establish a statewide building permit data system, modeled after [Baltimore Metropolitan Councils' \(BMC\) Building Permit Data Dashboard](#). The pilot project confirmed MDP's approach of local permit data compilation achieved the same results as reported by BMC. Because this pilot project was not statutorily mandated and there were no reporting deadlines, the project moved forward gradually based on time availability of the two assigned MDP staff members.

Based on the *US Census Annual Report of New Housing Units Authorized for Construction by Building Permits*, there were 28 Maryland jurisdictions in 2023 and 33 jurisdictions in 2022 that issued permits for 50 or more new residential units. Depending on construction activity for each jurisdiction, the number of jurisdictions required to report under this bill may vary slightly from year to year. It is also likely some smaller jurisdictions might issue more than 50 new units one year and less than 50 permits for the next couple of years. To establish a consistent database of participating jurisdictions, if the bill passed, MDP would prioritize collecting building permit data from the top 30-40 jurisdictions issue permits over the past several years.

This bill relies on collaborating jurisdictions to collect and share the building permit data, since there is no enforcement mechanism to ensure compliance. Based on MDP's experience of local annual reporting compliance with §1-208 (LUA), some jurisdictions routinely file reports while others do not. Since the annual reporting requirement started in 2012, county submissions have ranged between 60-90% of all counties (with an average of 75% participation), and for municipalities the response rate has been between 31-73% of the 108 municipalities with planning and zoning authority (with an average 48%). To achieve the highest participation of building permit data collected, MDP will need to devote significant time coordinating with local governments and routinely checking in with them to ensure the data is submitted. Regarding the building permit data, while most jurisdictions have some form of data-sharing arrangement with the local State Department of Assessment & Taxation (SDAT) office, this shared data is usually a subset of all the data locally collected. Some jurisdictions have resisted modifying their data reports, beyond the SDAT data report, to export the entire building permit information they are collecting.

Ramping MDP's pilot building project up to collect building permit data from 30-40 jurisdictions monthly, to process that data into a common database, and to then report that information online will require at least one full time staff member devoted 100% to this mandate reporting requirement. MDP reported in its fiscal note for this bill that, at a minimum, one GIS Application Development Administrator will be needed to manage this new database for the department with an estimated cost in FY 26 of \$95,979. Without this additional staffing, it is unlikely that MDP will be able to achieve the desired results stipulated in the bill.

This bill has the potential of establishing a new statewide building permit data system (SBPDS) to inform state agencies and local governments where residential development is occurring, what is being built, the time required to construct projects and many more details. This information can improve infrastructure planning, enhance the effectiveness of state policies and programs, help identify best permitting practices of local governments, and target economic development efforts to mention just a few potential state benefits of a fully operational SBPDS. The SBPDS also would provide a downloadable data resource that could be independently analyzed by local governments, universities and the private sector to evaluate development approval processes, targeted market analyses, and host of other studies. The SBPDS would also enable local governments to analyze their own building permit data using an online monthly dashboard of summarized permit data. The dashboard would help fill a capacity gap for localities without technical resources to analyze their own building permit data. **However, without adequate staffing, the full potential of the SBPDS cannot be realized.**