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DATE: March 13, 2026
BILL NO: House Bill 1538
TITLE: Land Use - Accessory Dwelling Units - Requirements and Prohibitions (Maryland Generational Housing Act of 2026)
COMMITTEE: House Economic Matters Committee

Letter of Support

Description of Bill:

House Bill 1538 requires local jurisdictions to authorize the development of at least one internal and external Accessory Dwellings Unit (ADU) on lots with single family detached dwellings. The bill restricts local jurisdictions from imposing development taxes, property taxes, and impact fees under specified conditions, and limits certain utility connection fees if the unit is occupied by a qualified family member. Additionally, the bill limits certain off-street parking requirements and allows qualifying units to share utility meters with their primary dwellings, while local governments continue to enforce applicable building, health, and safety standards.

Background and Analysis:

In the 2025 Housing Needs Assessment, DHCD projected that Maryland will require 590,186 new housing units by 2045 to address the state's ongoing housing shortage, and the state currently is experiencing a shortage of over 100,000 housing units. The existing gap in housing production has contributed to the rising housing costs and limited availability for residents across income levels and generations in the state. And if we do not act to meet the production needs over the next twenty years, that will only exacerbate this housing affordability crisis. It is crucial that we use every tool available to expand housing supply through a variety of housing types to meet the current and future housing needs of Marylanders.

By allowing the development of internal and external ADUs without requiring major rezoning, the bill removes the financial and regulatory barriers that often limit ADU construction. Since these units are built within existing neighborhoods and infrastructure, they can expand housing availability without requiring large public investments.

Additionally, the bill encourages generational housing by allowing families more options to live with their aging parents, adult children, and extended family within these accessory units. By reducing fees and tax burdens for qualifying units, the bill may also lower the cost of creating ADUs, making it easier for homeowners to add units, increase our housing supply, and take better – and closer – care of their loved ones.

DHCD Position

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on HB 1538.

