

February 17th, 2026

The Honorable Kriselda Valderrama
Chair, House Economic Matters Committee
230 Taylor House Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Support HB 548 Land Use – Permitting – Development Rights (Maryland Housing Certainty Act)

Dear Chair Valderrama,

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding **HB 548 Land Use – Permitting – Development Rights (Maryland Housing Certainty Act)**.

This bill locks in vesting rights at the time of submission of a substantially complete application and grants the proponent of an approved housing development project vested rights related to use and development for 5 years. MBIA is in full support of this concept, as Maryland is currently considered “a late-vesting state.” This allows local jurisdictions to change zoning rules even after a project has received permits or approvals. Developers who fully comply with existing laws could still face new requirements even after they have already received their approvals. This practice creates tremendous uncertainty and gives local jurisdictions the authority to kill any housing project they want to. Neighboring states like Pennsylvania and Virginia are not subject to late-vesting, which it makes it more attractive for builders to build houses there rather than in Maryland. This significantly reduces our economic competitiveness in the region. HB 548 is an important step toward correcting this imbalance by increasing predictability and reducing unnecessary up-front costs, while preserving local authority to set land use policy prospectively, rather than retroactively.

The bill also requires impact fee collections to take place after construction is complete and all requirements for a certificate of occupancy, occupancy permit, or other local equivalent for the project have been met. The beginning of the construction process is a time where cash flow has the biggest strain on builders. Builders pay for land acquisition, engineering, permitting, and financing before any homes are sold. Requiring impact fees to be collected early in the development process can make a project become unviable. Increased upfront fees add to carrying costs and put even more financial pressure on builders. Allowing impact fee payment after construction shifts costs to a completed project that is generating income.

Ideally, vesting should start once a concept plan or preliminary plan application is complete, so that the rules cannot change in the middle of the approval process. In practice, the entitlement process often takes five years or more to complete (see chart below), and a vesting period of less than five years does not provide meaningful protection if a project has not yet reached construction. Our understanding is that

once a foundation has been poured, a project is vested indefinitely, and this protection should be preserved in this bill.

Lastly, we would like to clarify that the bill's list of regulations that are included or excluded from vesting spans all regulations that should be included. The bill should clarify that areas that change frequently such as forest conservation stormwater management, and APFO provisions are captured in this bill. This should apply to both local and state regulations. This bill is about certainty and fairness. In order to be effective and attract needed investment this should span all regulations.

Investors need predictability to commit capital. Housing development requires large upfront expenditures long before a single home is purchased. These costs include land acquisition, engineering, design, environmental studies, legal work and financing costs. If zoning or regulatory rules can change mid-process, investors face risk. Regulatory certainty gives lenders and equity partners the certainty they need to fund a project.

For these reasons, MBIA respectfully requests the Committee give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Economic Matters Committee