



House Bill 1517 - Land Use - Qualified Project - Retaliatory Downzoning

Position: Support with Amendments

Maryland REALTORS® represents more than 28,000 real estate professionals who work every day to help Maryland families access housing and to support policies that increase housing supply and opportunity across the State.

House Bill 1517 addresses the problem of retaliatory downzoning, a practice in which a local jurisdiction reduces allowable residential density in response to a specific proposed development. When zoning rules are changed to target an individual project after it has been proposed, the development process becomes unpredictable and discourages investment in housing. In a state already facing a significant housing shortage, such practices limit the construction of new homes and reduce the range of housing options available to Maryland residents.

Property owners often make substantial investments based on the development potential allowed under existing zoning, purchasing land, hiring architects or engineers, and planning projects that comply with the law at the time of purchase. When a jurisdiction subsequently reduces the permitted use or density, the owner may suddenly be unable to pursue the project that justified the investment. The property may remain in the owner's possession, but its economic potential and market value can decline dramatically because the uses that once made the property viable are no longer allowed. In these circumstances, downzoning effectively eliminates expected development opportunities, undermines investment-backed expectations, and can leave property owners with land that is worth far less than when it was acquired.

For this reason, Maryland REALTORS® supports expansion of the bill's protections beyond just qualified projects. Retaliatory downzoning can affect a wide range of housing proposals, including workforce housing, entry-level homeownership opportunities, and mixed-income developments. Extending the bill's protections to all residential development projects would more effectively prevent the misuse of local zoning authority and support broader housing production.

Maryland should seek to strengthen protections against retaliatory downzoning against as wide a range of projects possible. With those changes, Maryland REALTORS® offers strong support for House Bill 1517.

For more information contact
lisa.may@mdrealtor.org or christa.mcgee@mdrealtor.org