



House Bill 503

Housing Development Act

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Education, Energy and the Environment
Committee

Date: April 3, 2025

From: Michael Sanderson and Dominic Butchko

The Maryland Association of Counties (MACo) **SUPPORTS HB 503 WITH AMENDMENTS**. This House-amended bill seeks to advance housing production through multiple means. MACo concurs with two major elements of the bill, **but continues to oppose the bill's intrusions into local land use matters that are inherently local, and ill-suited to statewide timetables and pre-emptions.**

For years, Maryland's counties and the General Assembly have prioritized expanding the supply of affordable housing. Counties remain dedicated to continuing these efforts in collaboration with the Administration and the General Assembly, and MACo is grateful for multiple modifications to HB 503 that are, in part, in response to county concerns.

In the revised bill, the State would work with local jurisdictions to create "targets" for housing unit gains in future years, and an annual report on the progress made toward those goals. Further, it creates a new standing Commission, with local representation, to evaluate a wide range of matters affecting housing availability. In both cases, MACo has withdrawn formal concerns with those elements, and counties are prepared to play their part toward clearer data and broader airing of these issues.

The remaining elements of the bill create two new tracks for early "vested rights" for developers, and county leaders continue to object to these provisions. **For decades, developers have sought, and have been denied, this "wish list" item – to secure long-term application of laws that, years later, no longer reflect the infrastructure capacity of the area subject to a proposed development.**

HB 503 as amended by the House now creates two complete tiers of early vesting, one in perpetuity beginning at the time of an application, and an additional set of expressly vested rights for five years following the date of an initial approval of a project. In both cases, this represents State intrusion into matters that are impossible to capture and consider appropriately during the broader public hearing process for state legislation. Zoning and permit approval is, necessarily, a block-by-block exercise, and is best conducted by expert practitioners in the field, and guided by affected community input.

For years, Maryland State leaders have recognized that early vesting was not a solution toward affordable housing. A widely shared *Zillow* study last summer showed that 7 out of 10 areas with the most acute housing shortages in the United States were among the minority of states with such "early vesting" policies. Counties suggest that not only are these provisions imperfectly crafted and subject to lengthy and costly interpretation, but will ultimately represent unwarranted and unwise policy.

MACo suggests that the "early vested rights" segments of the bill (the entire new Section 12-301) be removed from HB 503 to create a consensus work product that does not upend decades of sensible Maryland policy.

For this reason, MACo urges the Committee to amend HB 503 to remedy these concerns, and issue a **FAVORABLE WITH AMENDMENTS** report.