House Bill 85

Corporations and Associations - Cooperative Limited Equity Housing Corporations - Establishment

MACo Position: **SUPPORT WITH AMENDMENTS**

To: Economic Matters Committee

Date: February 10, 2026

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** HB 85 **WITH AMENDMENTS**. This bill establishes a process for converting certain entities into Cooperative Limited Equity Housing Corporations (CLEHCs).

In both 2024 and 2026, affirmatively furthering affordable housing was adopted as a top county priority and MACo initiative. Housing challenges are not confined to a single policy lane—they reflect a complex set of interrelated issues spanning equity, ownership models, land use, infrastructure capacity, and financing tools. Counties therefore support a broad range of "all-of-the-above" solutions across multiple portfolios of local government to expand Maryland's housing supply and improve affordability.

While not the primary focus of HB 85, counties are concerned that the language on page 11, lines 25–32 could be interpreted too broadly as preempting local authority related to public health and safety, land use, and adequate public facilities. MACo appreciates the sponsor's constructive engagement and recognizes the intent to treat CLEHC regimes similarly to condominium regimes. To clarify that intent—and to mirror the existing framework in Real Property Article § 11-122 governing condominiums—counties offer a friendly amendment, included on the next page.

Counties thank the sponsor for their partnership in addressing local concerns and remain committed to an all-of-the-above approach to expanding affordable housing opportunities statewide. Accordingly, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report for **HB 85**.

(amendment language included on reverse)

Amendments to HB 85, suggested by the Maryland Association of Counties

On page 11, strike lines 25 through 32 and substitute:

"**(A) THE PROVISIONS OF ALL LAWS, ORDINANCES, AND REGULATIONS CONCERNING BUILDING CODES OR ZONING SHALL HAVE FULL FORCE AND EFFECT TO THE EXTENT THAT THEY APPLY TO PROPERTY WHICH IS SUBJECTED TO A COOPERATIVE LIMITED EQUITY HOUSING CORPORATION REGIME AND SHALL BE CONSTRUED AND APPLIED WITH REFERENCE TO THE OVERALL NATURE AND USE OF THE PROPERTY WITHOUT REGARD TO THE FORM OF OWNERSHIP. A LAW, ORDINANCE, OR REGULATION CONCERNING BUILDING CODES OR ZONING MAY NOT ESTABLISH ANY REQUIREMENT OR STANDARD GOVERNING THE USE, LOCATION, PLACEMENT, OR CONSTRUCTION OF ANY LAND AND IMPROVEMENTS WHICH ARE SUBMITTED TO THE PROVISIONS OF THIS TITLE, UNLESS THE REQUIREMENT OR STANDARD IS UNIFORMLY APPLICABLE TO ALL LAND AND IMPROVEMENTS OF THE SAME KIND OR CHARACTER NOT SUBMITTED TO THE PROVISIONS OF THIS TITLE.**

(B) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A COUNTY, CITY, OR OTHER JURISDICTION MAY NOT ENACT ANY LAW, ORDINANCE, OR REGULATION WHICH WOULD IMPOSE A BURDEN OR RESTRICTION ON A COOPERATIVE LIMITED EQUITY HOUSING CORPORATIONS THAT IS NOT IMPOSED ON ALL OTHER PROPERTY OF SIMILAR CHARACTER NOT SUBJECTED TO A COOPERATIVE LIMITED EQUITY HOUSING CORPORATIONS REGIME.".