



## House Bill 235

### *Housing and Community Development - Neighborhood Business Development Program - Local Approval Requirement*

MACo Position: **OPPOSE**

To: Economic Matters Committee

Date: February 12, 2026

From: Karrington Anderson & Michael Sanderson

The Maryland Association of Counties (MACo) **OPPOSES** HB 235. Counties recognize the value of the Neighborhood Business Development Program in strengthening local economies, revitalizing communities, and supporting small businesses across Maryland. However, HB 235 would eliminate the longstanding requirement for local government consent before the Department of Housing and Community Development (DHCD) may approve financing under the Program.

Historically, the Department has been required to obtain explicit local government approval, through a resolution or letter of support, before approving an application. There is an existing safeguard allowing the Department to proceed if a local government does not respond within 45 days. HB 235 would remove this local approval authority and allow the Department to approve financing without any required local consent.

Local approval serves as an important step in the process, ensuring projects align with adopted plans, infrastructure capacity, and community priorities. Counties are best positioned to evaluate local conditions and long-term impacts, and community input remains a core component of responsible economic development. There has been no demonstrated pattern of local governments withholding consent or obstructing State investment through the Program, and counties have historically partnered with the State to advance these investments - indicating that the current process is not broken, and the proposed adjustments in the bill are not needed.

Counties view this as a concerning erosion of local authority over development occurring within their own communities. If the Department seeks to make this process more efficient or address administrative obstacles in the current approval process, MACo urges the Department and the General Assembly to work collaboratively with counties to identify targeted solutions to any concerns. Eliminating local approval authority altogether is unnecessary and undermines the value of local and community input in development decisions.

MACo urges the General Assembly to preserve the existing local consent requirement, which has served as an effective and collaborative tool for partnerships in economic development. For these reasons, MACo respectfully requests an **UNFAVORABLE** report on HB 235.