



Senate Bill 267

*Land Use - Residential Housing - Oversight, Regulation, and Taxation
(Building Affordably in My Back Yard Act)*

MACo Position: **SUPPORT**

To: Education, Energy, & the Environment and
Budget & Taxation Committees

Date: February 17, 2026

From: Dominic J. Butchko and Michael Sanderson

The Maryland Association of Counties (MACo) **SUPPORTS** the Building Affordably in My Back Yard (BAMBY) Act. **This comprehensive, locally grounded package advances a balanced housing strategy: empower counties to speed housing production, deploy practical market tools, align state actions with local realities, and pair growth with sensible renter protections.** Together, these four pillars will help Maryland deliver more homes—faster, at lower cost—while protecting communities, infrastructure capacity, and household stability.

Maryland’s housing shortage is constraining economic opportunity, driving up costs for families, and putting pressure on employers and public services. Counties are on the front lines of this challenge: approving projects, delivering the public services, and developing major infrastructure (schools, roads, water/wastewater). BAMBY recognizes this complex reality and offers a pragmatic path forward to increasing affordable housing in Maryland.

Four Pillars of BAMBY

1) Land Use Tools That Produce Housing - BAMBY strengthens the local land-use toolkit so counties can move qualifying housing projects from concept to construction more efficiently and predictably. Key elements include:

- **Regulatory & Construction Certainty***
 - Approval/rejection based on regulations at the time of complete application submission.
 - Eliminate downzoning and compliance with new regulations for the period of a validly issued local permit.
- **Fast-Track Approval Pathways**
 - Upon a finding of an affordable housing shortage, enable counties to administratively review/approve applications to expedite final project approval.
- **Pre-Approved Permits & Design Guidelines**
 - Requires counties to adopt:
 - Clear design guidelines for affordable “qualified projects;” and
 - Approval process for standardized model home designs for specific projects.

** Administration, builders, and counties are actively negotiating*

Bottom line: BAMBY reduces friction in the local approval process and helps counties produce housing more efficiently and effectively.

2) Market Tools That Lower Costs And Unlock Supply - Housing costs are driven by financing risk, delays, and uncertainty. BAMBY includes pragmatic market-facing tools to improve project feasibility—especially for affordable and workforce units—such as:

- **Development-Friendly Payment Schedules***
 - Modify payment timing, with reasonable collection assurances, to support growth-related infrastructure.
- **Affordable Unit Tax Relief**
 - Authorizes counties that levy recordation, transfer, impact/excise taxes to adopt revenue-neutral, tiered brackets that reduce the burden on affordable units.
 - Directs Comptroller to study tax disincentives to down-sizing.
- **Prevent Corporate House Hoarding**
 - Establishes 30-day “right of first refusal” for homeowner purchasers.
 - Enables Counties to adopt:
 - Speculation Taxes on underused/stagnant properties;
 - Differential Tax Rates for corporate-owned residential properties; and
 - Special Transfer Tax for owner-occupied properties being sold for other use (similar to Ag transfer tax).

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Bottom line: BAMBY uses smart market levers to reduce per-unit costs and expand the pipeline of feasible housing projects.

3) State Actions That Match State Housing Goals - Counties can accelerate approvals, but statewide housing goals require statewide follow-through. BAMBY aligns state actions with on-the-ground delivery by emphasizing:

- **State Agency Inefficiency & Delay**
 - Require State agencies’ evaluation of housing-related approval processes and identify opportunities for streamlining.
- **Insufficient Infrastructure As A Barrier To Approvals**
 - Assess Maryland’s current infrastructure for future development.
 - Suggest state and local actions to enhance infrastructure.

Bottom line: BAMBY pairs local tools with state responsibility—because production depends on infrastructure, coordination, and consistent policy signals.

4) Renter Protections That Support Stability - Maryland must pair increased supply with stability for the households living in today's market. BAMBY establishes a:

- **Responsible Owner Registry**
 - Establish a statewide registry of landlords for quick emergency contact and enforcement of health and safety standards.

***Bottom line:** BAMBY advances affordability on both ends—more supply over time, and better stability for renters now.*

Attached are supplemental materials that more fully break down each section of the bill with page numbers, a summary of the policy prescription, a summary of the issue being addressed, and notes specific to that item.

At its core, BAMBY improves certainty, increases efficiency, clarifies accountability, and empowers counties to more directly address Maryland's affordable housing crisis. While no single bill is a silver bullet, BAMBY represents one of the most comprehensive, actionable approaches proposed to meet this moment. Counties stand ready to be strong partners in delivering more housing—quickly, responsibly, and in ways communities can sustain. For these reasons, MACo respectfully urges the Committee to issue a **FAVORABLE** report on the BAMBY Act.



REGULATORY & CONSTRUCTION CERTAINTY

- Approval/rejection based on regulations at the time of complete application
- Eliminate downzoning and compliance with new regulations for the period of a validly issued local permit

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DEVELOPMENT-FRIENDLY PAYMENT SCHEDULES

- Create later payment timing, with reasonable collection assurances, to support growth-related infrastructure

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FAST-TRACK APPROVAL PATHWAYS

- Upon a finding of an affordable housing shortage, enable counties to administratively review/approve applications to expedite final project approval

PRE-APPROVED PERMITS & DESIGN GUIDELINES

- Requires counties to adopt:
 - Clear design guidelines for affordable “qualified projects;” and
 - Approval process for standardized model home designs for specific projects

AFFORDABLE UNIT TAX RELIEF

- Authorizes counties that levy recordation, transfer, impact/excise taxes to adopt revenue-neutral, tiered brackets that reduce the burden on affordable units
- Directs Comptroller to study tax disincentives to down-sizing

PREVENT CORPORATE HOUSE HOARDING

- Establishes 30-day “right of first refusal” for homeowner purchasers
- Enables Counties to adopt:
 - Speculation Taxes on underused/stagnant properties
 - Differential Tax Rates for corporate-owned residential properties
 - Special Transfer Tax for owner-occupied properties being sold for other use (similar to Ag transfer tax)

RESPONSIBLE OWNER REGISTRY

- Establish a statewide registry of landlords for quick emergency contact and enforcement of health and safety standards

INSUFFICIENT INFRASTRUCTURE AS A BARRIER TO APPROVALS

- Assess Maryland's current infrastructure for future development
- Suggest state and local actions to enhance infrastructure

STATE AGENCY INEFFICIENCY & DELAY

- Require State agencies' evaluation of housing-related approval processes and identify opportunities for streamlining

SB 267 BAMBY Act Matrix
"Building Affordably in My Back Yard"

Policy	Page Numbers	Description	Notes
RESPONSIBLE OWNER REGISTRY	3	<p>Summary - Requires landlords in Maryland to file an annual certificate with the Department of Housing and Community Development identifying a sworn public contact, which DHCD must share with local governments upon request.</p> <p>Issue - Accurate ownership and contact information improves communication, strengthening housing and code enforcement—especially since owners currently are not required to keep contact information updated, which creates serious health and safety risks.</p>	
FAST-TRACK APPROVAL PATHWAYS	6	<p>Summary - Authorizes counties to create an administrative review process for most housing development decisions — reviews, approvals, etc. — while retaining final decision-making authority.</p> <p>Issue - Local governments are often criticized for slow project reviews; an administrative option would allow for streamlining, reducing delays, and allocating staff more efficiently while preserving oversight, public input, and local accountability.</p>	
REGULATORY & CONSTRUCTION CERTAINTY	8-11	<p>Summary - For counties with 150,000+ residents (excluding municipal populations) and all municipalities, defines when a residential or mixed-use application is “complete,” requires prompt completeness notice, and provides regulatory certainty by applying the laws in effect at submission for at least three years.</p> <p>Issue - Clear, consistent “complete application” standards improve predictability for developers, provide regulatory certainty, and help local governments manage reviews efficiently—balancing timely housing production with local oversight and public safety.</p>	<p><i>(administration, builders, & local governments are actively negotiating this item)</i></p> <p>Impacted Counties & Populations</p> <p>Anne Arundel - 561,554 Baltimore County - 854,425 Baltimore City - 568,271 Charles - 158,836 Frederick - 171,382 Harford - 221,446 Howard - 339,668 Montgomery - 904,258 Prince George's - 708,938</p>

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HOUSING PRODUCTION TARGETS	11-15	<p>Summary - *Retains the Governor's 2025 Housing Targets through 2030.* By January 1, 2031, and after each decennial census, requires the Governor to set statewide and local housing production targets (including for zoning municipalities), allows jurisdictions to propose justified alternatives, publishes final targets online, and mandates annual progress reporting through 2051.</p> <p>Issue - Housing production targets create a data-driven planning framework that aligns housing supply with demand while accounting for local conditions, giving jurisdictions flexibility and input while improving accountability and accelerating delivery to meet growth needs.</p>	
PROJECT DESIGN GUIDELINES FOR AFFORDABLE UNITS	16-17	<p>Summary - For counties with 150,000+ residents (excluding municipal populations) and all municipalities, by July 1, 2027, must adopt project design guidelines for qualified projects, addressing elements such as parking, height, setbacks, lot area, open space, circulation, landscaping, lighting, architecture, and signage.</p> <p>Issue - Local governments are often criticized for slow project reviews; design guidelines provide developers with clear guidance for applications, preserve community character, and maintain control over project quality and consistency.</p>	<p>Impacted Counties & Populations</p> <p>Anne Arundel - 561,554 Baltimore County - 854,425 Baltimore City - 568,271 Charles - 158,836 Frederick - 171,382 Harford - 221,446 Howard - 339,668 Montgomery - 904,258 Prince George's - 708,937</p>
PRE-APPROVED PERMIT APPLICATIONS	17	<p>Summary - For counties with 150,000+ residents (excluding municipal populations) and all municipalities, by July 1, 2027, must implement a pre-approval process for standardized model home designs so approved plans can be reused without redundant reviews—reducing permit timelines for production homes while maintaining code, zoning, and design compliance.</p> <p>Issue - Local governments are often criticized for slow project reviews; project specific preapproved designs allow for faster development.</p>	<p>Impacted Counties & Populations</p> <p>Anne Arundel - 561,554 Baltimore County - 854,425 Baltimore City - 568,271 Charles - 158,836 Frederick - 171,382 Harford - 221,446 Howard - 339,668 Montgomery - 904,258 Prince George's - 708,938</p>

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AFFORDABLE UNIT TAX RELIEF	18	<p>Summary - Enables a county to temporarily reduce or exempt housing-sensitive taxes/fees for qualified affordable housing projects when the county finds a housing shortfall, and to offset that reduction by increasing those taxes/fees on other (non-qualified) property classes.</p> <p>Issue - Many counties are authorized only use flat transfer and recordation tax rates that treat modest and high-value transactions the same, authorizing tiered rates allows counties to reduce costs on lower-priced homes while generating fairer revenue from higher-value sales in line with local housing and fiscal goals.</p>	
DEVELOPMENT FRIENDLY PAYMENT SCHEDULES	18-19	<p>Summary - For counties with 150,000+ residents (excluding municipal populations) and all municipalities, by July 1, 2027, clarifies that a county or municipality may require up to 50% of a residential (including mixed-use) development excise tax or impact fee at building permit issuance, with the remaining balance due before issuing a certificate of occupancy (or equivalent).</p> <p>Issue - Builders have indicated that earlier impact fee payments can complicate project financing; adjusting the payment schedule to require partial payment at building permit issuance and the balance before a use and occupancy permit would ease cash-flow pressure while preserving collection.</p>	<p><i>(administration, builders, & local governments are actively negotiating this)</i></p> <p>Impacted Counties & Populations</p> <p>Anne Arundel - 561,554 Baltimore County - 854,425 Baltimore City - 568,271 Charles - 158,836 Frederick - 171,382 Harford - 221,446 Howard - 339,668 Montgomery - 904,258 Prince George's - 708,938</p>
PRIORITIZE PRIMARY RESIDENCES	19-20	<p>Summary - Gives owner-occupant purchasers priority by limiting sellers, for the first 30 days a single-family home is listed, to accepting offers from buyers who intend to use the property as their primary residence. (Similar to HB751 of 2024)</p> <p>Issue - Maryland has seen an increasing trend of corporate buyers purchasing single-family homes for long-term rentals or short-term use, which can reduce for-sale inventory for residents, putting upward pressure on housing costs.</p>	

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PROMOTE HOMEOWNERSHIP	20-21	<p>Summary - Upon a finding of a housing shortfall, a county may impose an additional transfer tax of up to 5% when owner-occupied property is transferred and will no longer be owner-occupied.</p> <p>Issue - As more residential properties are held as investments, second homes, or short-term rentals rather than primary residences, housing supply for full-time residents tightens, increasing housing costs for communities.</p>	Modeled after Maryland's existing ag transfer tax.
MOBILIZE GROWTH AREAS	P21, L21 - 33; P23, L25-34	<p>Summary - Authorizes counties to establish an annual tax in priority funding areas that applies to residential or mixed-use-zoned properties are not being developed to permitted uses or densities, with revenue dedicated to affordable housing, school construction, or other housing-related purposes.</p> <p>Issue - In many communities, speculative holding keeps growth-areas underutilized, constraining buildable supply and driving up housing costs even as counties face rising affordable housing and school infrastructure needs without sufficient tools to respond.</p>	
PREVENT CORPORATE HOUSE HOARDING	P22, L1-18; P24, L1-15	<p>Summary - Authorizes counties to create a special property subclass for non-principal residence homes owned by large-scale owners (20+ properties), excluding units rented at affordable rates or subject to affordability covenants or subsidies.</p> <p>Issue - In many communities, growing concentration of housing stock in large investor portfolios is putting upward pressure on prices and, in some cases, contributing to more aggressive eviction practices.</p>	

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REPORT ON DOWNSIZING DISINCENTIVES	P24, L16-26	<p>Summary - By December 31, 2027, requires the Comptroller to report to the Governor and General Assembly on state tax policy options to better encourage homeowners —particularly older adults— to downsize or move to more affordable homes.</p> <p>Issue - A major factor affecting affordability is tax structures that discourage homeowners from downsizing later in life; reducing those barriers can make downsizing less financially burdensome and support more housing market turnover that helps free up supply.</p>	
REPORT ON HOUSING INFRASTRUCTURE	P24, L27 - P27, L30	<p>Summary - Requires the Maryland Department of Planning to publish a comprehensive statewide assessment of how water, sewer, schools, and transportation infrastructure supports or constrains housing development in Maryland.</p> <p>Issue - The report is intended to align infrastructure capacity with housing needs by identifying constraints and gaps and recommending actionable strategies for state and local governments to support sustainable, efficient, and equitable housing growth.</p>	
STREAMLINE OF STATE PROCEDURES	P28, L1 - P30, L11	<p>Summary - Requires state agencies to review and streamline housing-related processes, regulations, and approvals—prioritizing qualified projects and evaluating delegation to local governments—with initial agency reports due July 2027 and a consolidated public report, coordinated by the Maryland Department of Planning, due December 2027.</p> <p>Issue - Inefficient state processes can delay development, this provision aims to streamline and expedite state-level housing approvals by reducing barriers and creating faster pathways for priority projects.</p>	