



# Howard County

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## *Internal Memorandum*

**Subject:** *Maryland HB 548/SB 325– Land Use – Permitting – Development Rights  
(Maryland Housing Certainty Act)  
Changes Effective October 1, 2026*

**To:** *Division of Land Development, Development Engineering Division, Department of  
Licensing, Inspection and Permits, & Department of Finance*

**From:** *Lynda Eisenberg, AICP, Director*

**Date:** *Revised October 1, 2026*

### **Purpose**

The Maryland General Assembly recently enacted the **Maryland Housing Certainty Act which goes into effect October 1, 2026**. The Act changes existing Maryland case law by establishing an earlier grandfathering date, securing the vesting timeframe for housing development projects and changes the timing for payment of certain development excise taxes, impact fees, MIHU and school facilities surcharges.

This memorandum summarizes the new requirements and explains how they will affect residential development projects in Howard County.

### **GRANDFATHERING**

Under the Maryland Housing Certainty Act, the Department of Planning and Zoning (DPZ) must grandfather a **Housing Development Project**—defined as the construction or substantial renovation of a residential real estate project that includes an application for a building permit, certification, authorization, site plan approval, subdivision approval, conceptual plan, or any other determination by a local regulatory authority or the commission. A residential real estate project includes mixed-use developments that includes residential units.

For purposes of the Act, DPZ will consider the completion of the acceptance of the **first full submission of:**

- (1) Sketch plan or preliminary equivalent sketch plan [for major subdivisions];
- (2) Final plan for minor subdivisions and resubdivisions; or
- (3) Site development plan for multi-family development projects not going through the subdivision process.

### Application Completeness

- Within **30 days** of the initial plan submission as identified above, DPZ will determine whether the application is substantially complete.
  - A SRC meeting will be held to review the project and determine if any additional items are needed to complete the submission.
- A determination that an application is substantially complete **does not constitute approval** of the plan. The project will continue to be reviewed under the County's existing review procedures and timelines.
- If the application is incomplete, DPZ will provide the applicant with a list of deficiencies and **30-days** to correct the issues and resubmit.
- If DPZ does not notify the applicant of deficiencies within **35-days** of receiving the application, the application will be deemed accepted and complete.

### Phased Projects

For projects consisting of two or more phases during the Site Development Process, each phase of the accepted plan will be treated as a separate application and will be **grandfathered and vested independently** from the other phases. Phase is defined as a discrete planning portion of a larger housing development project that includes 25 or more housing units and is planned as part of a larger housing development project.

### VESTING

**The five-year vesting** is based on the housing development project, or its phase having received all required approvals, I.E. either a signed Final Plan for a residential subdivision or a Site Development Plan for non-subdivided residential development. Once the project is deemed approved a vesting date will be sent with the approval letter and the start of the 5-year vesting period will begin.

For both unphased and phased projects: if you are on hold because of not acquiring project allocations or are located within a closed school area, as identified under the County's Adequate Public Facilities Ordinance (APFO), and are placed in either bin, grandfathering will remain valid for the duration of the hold.

### Exceptions

The County may waive or modify vesting when necessary to comply with a new law or regulation addressing an **immediate threat to public health or safety**. The requirements of the Act apply to local regulatory authorities only to the extent they do not conflict with other applicable state or federal laws or regulations.

## **DEVELOPMENT EXCISE TAX**

The Maryland Housing Certainty Act also changes when certain development excise taxes and impact fees may be collected from housing development projects that are defined as the new construction or substantial renovation of a residential real estate project including mixed-use projects that include residential units.

Under the existing Howard County Code, § 20.505, the building excise tax is generally paid when a building permit is issued.

*Building Excise Tax Paid When Paying for Building Permit. An applicant for a building permit for addition construction or new construction shall pay the building excise tax to the Director of Finance of Howard County at the time the building permit is issued.*

Excise Tax, MIHU Fee in lieu and Public School Facility Surcharge (PSFS) are not required to be paid until 30-days before Use and Occupancy or a condition of Final Inspection as long as that is within the 30-days.

The Department of Inspections, Licenses & Permits (DILP) has developed the following procedures for the collection of these fees:

- 1) All fees including Excise, MIHU Fee-in-lieu and PSFS will be invoiced during the review process. The applicant may choose to pay these fees prior to permit issuance or inform DILP they want to defer payment based on the Maryland House Bills 548/Senate Bill 325.
- 2) If the applicant elects to defer payment of these fees, the appropriate fees will be voided from the invoice, will be reassessed but will not be invoiced until the appropriate time.
- 3) A notice will be placed on the permit that all Excise tax and impact fees must be paid before the final inspection.
- 4) The inspectors will verify remaining fees have been paid before conducting final inspections.
- 5) When the applicant applies for their Use and Occupancy certificate, DILP staff will verify all fees have been paid, before issuing the Use and Occupancy certificate.

***For questions on the Development Excise Tax please reach out to Department of Inspections, Licensing and Permits at 410-313-2433.***