

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1104 (Delegate Fraser-Hidalgo)
Environment and Transportation

Residential Solar Energy Systems - Local Inspections and Permitting

This bill extends the deadline by which each county and municipality must implement solar permitting software, from August 1, 2025, to August 1, 2027, and modifies the definition of “solar permitting software.” In addition, by August 1, 2027, each county and municipality must authorize inspections for projects permitted by solar permitting software to be conducted remotely. The bill also (1) establishes the scope of review of a permit application to install a residential solar energy generating system and (2) sets a \$200 limit on the amount of a solar permitting fee (the total of all charges for a residential solar permit); and (3) authorizes the Attorney General to seek judicial enforcement against counties or municipalities that fail to comply with the bill’s provisions.

Fiscal Summary

State Effect: The bill is not expected to materially affect State finances.

Local Effect: Local government revenues and/or expenditures are expected to be affected, beginning as early as FY 2027, as discussed below. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Permitting Software

The bill extends the deadline by which counties and municipalities must implement solar permitting software for specified residential building permits from August 1, 2025, to

August 1, 2027, and replaces the existing definition of solar permitting software. Under the bill, “solar permitting software” means software or a combination of software that: (1) automates plan review for residential solar energy systems to the most recent version of the Maryland Building Performance Standards, Electrical Code, and Fire Prevention Code, as applicable; (2) produces code-compliant approvals; (3) issues a code-compliant permit; (4) accepts online payments for any permitting fees imposed; and (5) issues permits or permit revisions immediately on receipt of online submission of permitting fee payments, if applicable.

Remote Inspections

Each county and municipality, by August 1, 2027, must authorize any inspection required for a project permitted by solar permitting software to be conducted remotely through recorded video or photographs. The cost of a remote inspection may not exceed \$100 and must be completed within the same time frame as an in-person inspection. Additionally, a county or municipality may not require (1) more than one remote inspection unless the first inspection resulted in a failed inspection or (2) manual review at any time during the permitting and inspection process for permits approved using solar permitting software. An inspector is authorized to review construction documents that are produced by the solar permitting software.

Scope of Review

The bill requires that review of a permit application to install a residential solar energy generating system be limited to a determination of whether the application meets all health and safety requirements under State and local law.

Solar Permitting Fee Limit

Effective August 1, 2027, counties and municipalities are prohibited from setting solar permitting fees that exceed \$200 for residential solar energy systems. “Solar permitting fee” means a fee equal to the sum of all charges imposed by a county or municipality, including charges imposed by a provider of solar permitting software, in connection with an application for a residential solar energy system.

Enforcement

The bill authorizes the Attorney General to seek judicial enforcement against counties or municipalities that fail to comply with the bill’s provisions.

Current Law: “Residential solar energy system” means any configuration of solar energy devices that collects and distributes solar energy for the purposes of generating electricity and that has a single residential interconnection with the electrical grid.

The Brighter Tomorrow Act of 2024 (Chapter 595) required each county and municipality, by August 1, 2025, to implement solar permitting software for features supporting the tracking and approval of residential building permits for solar energy systems, energy storage systems, main electrical panel upgrades, and main electrical panel derates.

“Solar permitting software” means (1) the most recent version of a web-based platform, developed by the National Renewable Energy Laboratory (NREL), that provides a standard portal for receiving and processing residential solar energy system and residential energy storage system permit information or (2) automated software that functions to support the tracking and approval of residential building permits for solar energy systems, energy storage systems, main electrical panel upgrades, and main electrical panel derates.

A county or municipality may not be required to comply with the requirement to implement solar permitting software if (1) it does not require a permit for residential solar energy systems or residential solar energy systems paired with a residential solar energy storage system or (2) as determined by the Maryland Energy Administration (MEA), the automated software is no longer updated or maintained.

MEA must delay the initial implementation or suspend the requirements for implementing solar permitting software if there are insufficient State or federal funds available to MEA to provide financial support to a county or municipality implementing the NREL-developed web-based solar permitting software.

Local Fiscal Effect: Local government revenues and/or expenditures are affected, beginning as early as fiscal 2027 (with respect to expenditures), to the extent that:

- in the absence of the bill, a county or municipality imposes a remote inspection fee higher than \$100, or a solar permitting fee higher than \$200, after August 1, 2027, resulting in a reduction in revenues under the bill, for a county or municipality, beginning in fiscal 2028; and/or
- the bill’s change to the definition of solar permitting software (repealing the explicit reference to NREL-developed web-based solar permitting software) potentially results in implementation or other costs to implement software that meets the bill’s requirements that are not otherwise incurred for software that meets the current definition.

Information is not readily available at this time to determine the extent of the bill’s impact on local government fee revenues and/or software costs.

MEA offers financial assistance to counties and municipalities to support implementation of the NREL-developed SolarAPP+ permitting platform through the Maryland SolarAPP+ Implementation Grant Program. The software itself is free-to-use, but MEA indicates that implementation costs may include contractual support, staff training costs, software integration costs, and others.

Small Business Effect: Small businesses engaged in residential solar installations may meaningfully benefit from reduced permitting fees and processing times resulting from the bill's changes.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Prince George's County; City of Annapolis; Maryland Association of Counties; Office of the Attorney General; Judiciary (Administrative Office of the Courts); Maryland Department of Labor; Maryland Energy Administration; Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2026
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