

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 243

(Chair, Economic Matters Committee)(By Request -
Departmental - Planning)

Economic Matters

Education, Energy, and the Environment

Land Use - Comprehensive and General Plans - Alteration of Elements

This departmental bill modifies and reorganizes the elements that a local jurisdiction must include in a comprehensive (or general) plan so that the elements (1) are consistent with planning principles established under Chapters 63 and 64 of 2025 (see Current Law) and (2) apply consistently across all local jurisdictions. The bill also adds and/or modifies certain guidance and requirements applicable to the plans as a whole and to specific elements. The bill applies prospectively, to a county or municipality that begins the process of amending, revising, readopting, or modifying a comprehensive plan on or after the bill's effective date.

Fiscal Summary

State Effect: The Maryland Department of Planning (MDP) and other State agencies can implement with existing resources the bill's requirements that certain data, assistance, and/or review be provided to local jurisdictions in their efforts to review and update their comprehensive (or general) plans. Revenues are not affected.

Local Effect: Local government expenditures may increase for some local jurisdictions to implement the bill's requirements, as discussed below. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: MDP has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary:

New List of Eight Elements (See the bill’s amendments to §§ 1-406 and 3-102 of the Land Use Article)

The bill replaces an existing list of 6 required elements that charter counties (and certain code counties and Baltimore City - see the discussion of Division I of the Land Use Article under Background) must include in their comprehensive (or general) plans, and an existing list of 12 elements applicable to other counties’ and municipalities’ comprehensive plans, with a new list of 8 required elements applicable to all local jurisdictions’ comprehensive (or general) plans, as shown in **Exhibit 1**.

General Requirements Applicable to Comprehensive Plans (See the bill’s amendments to §§ 1-406 and 3-102 and repeal of existing §§ 1-407, 3-103, and 3-110)

The bill establishes certain requirements applicable to comprehensive plans in general:

- **Broad Purpose** – A plan must provide goals, objectives, guidelines, standards, and strategies for the orderly and balanced future economic, social, physical, environmental, and fiscal development of the jurisdiction.
- **Format and Structure** – The planning commission must determine the appropriate format and structure of the plan, provided each of the elements are addressed, and determine whether to include additional elements.
- **Content** – Each element must (1) include and address all required subelements; (2) be informed by relevant existing and anticipated future conditions and State and local plans; and (3) identify the needs to be addressed and the goals to be achieved.
- **Statement of Goals and Objectives, Policies, and Standards** – A plan must also include a specified “statement of goals and objectives, policies, and standards” that (1) serves as a guide for the development and economic and social well-being of the jurisdiction; (2) is informed by coordination with adjacent jurisdictions and relevant regulatory authorities; and (3) identifies strategies, including appropriate recommended development regulations, policies, programs, and other mechanisms, to address the needs and goals of the plan. (This requirement is taken partially from an existing “goals and objectives” element applicable to certain counties and to municipalities, that is repealed by the bill.)

Exhibit 1
Local Comprehensive Plans – Required Elements

**Required Elements (Under Current Law) Are Replaced by New Required Elements
and Subelements (Under the Bill)**

<u>Under Current Law – Required Elements</u>	<u>Under the Bill – Required Elements and Subelements</u>
<i>Charter counties, certain code counties, and Baltimore City:</i> (1) Development regulations (2) Housing (3) Sensitive areas (4) Transportation (5) Water resources (6) Mineral resources ¹ <i>Remaining counties and municipalities:</i> (1) Community facilities (2) Area of critical State concern (3) Goals and objectives (4) Housing (5) Land use (6) Development regulations (7) Sensitive areas (8) Transportation (9) Water resources (10) Mineral resources ¹ (11) Municipal growth (municipalities) (12) Fisheries ² (counties)	<i>All local jurisdictions:</i> (1) Land <ul style="list-style-type: none">• Community facilities subelement• Mineral resources subelement¹• Fisheries subelement²• Municipal growth subelement (2) Transportation (3) Housing (4) Economy (5) Equity (6) Resilience (7) Place (8) Ecology <ul style="list-style-type: none">• Sensitive areas subelement• Water resources subelement

¹ If current geological information is available.

² If located on the tidal waters of the State. Under current law, charter or code counties that were subject to the fisheries element requirement before adopting home rule (becoming a charter or code county) must continue to incorporate the requirements of the fisheries element into their comprehensive plans.

Source: Department of Legislative Services

- ***Development Regulations, Policies, Programs, and Other Mechanisms*** – Language under the existing development regulations element (repealed by the bill) is moved to these general requirements (applicable to the plans broadly), and added to, in order to require that development regulations, policies, programs, and other mechanisms included in the plan encourage (1) the use of flexible development regulations to promote innovative and cost-saving site design, implement the planning principles, and protect the environment and (2) within areas designated for growth, promote economic development through the use of innovative techniques, and provide for the streamlined review of applications for development, including permit review and subdivision plat review.
- ***Assistance from the Maryland Department of Planning*** – The bill also establishes that the planning commission for a jurisdiction can request that MDP facilitate State agency assistance with available data and analysis, and MDP must provide guidelines on how to address the elements and identify best practices to be considered. Within the requirements applicable to specific elements, MDP is also required to provide jurisdictions with various specified data and assistance.

Elements

Each of the elements must implement the planning principle (see Current Law) corresponding to the element and, for each of the elements, the bill establishes:

- subjects the element must address;
- State plans the element must be informed by;
- State data, assistance, and/or review that must be provided or made available;
- any subelements that must be included; and
- additional content the element *may* address.

The first three items above (or four items, if an element includes subelements), for each element, are broadly summarized below.

Land Element (See the bill’s new §§ 1-407 and 3-103 and repeal of existing §§ 1-411, 3-107, 3-108, 3-112, and 3-113)

- *Subjects the element must address:* General distribution, location, and extent of various land uses and desired patterns and location of growth.
- *State plans the element must be informed by:* (1) The Maryland the Beautiful Plan (land conservation); (2) the Maryland Land Preservation and Recreation Plan; and (3) the Statewide Historic Preservation Plan.
- *State data, assistance, and/or review that must be provided or made available:* (1) Population, demographic, land use, and other relevant data (from MDP and

other agencies); (2) review of the mineral resources subelement, below (by the Maryland Department of the Environment (MDE)); and (3) technical assistance for the municipal growth subelement, below (by MDP).

- *Subelements that must be included:* (1) **Community Facilities** (proposes the most appropriate and desirable patterns for the general location, character, service areas, and extent of public and semipublic buildings, land, and facilities); (2) **Mineral Resources**, if geological information is available (seeks to identify undeveloped land with mineral resources, balance mineral extraction with other land uses, and prevent preemption of mineral extraction by other uses if feasible); (3) **Fisheries**, if the jurisdiction is located on tidal waters (seeks to ensure water access for commercial harvesting of finfish and shellfish, by designating areas for loading, unloading, processing, docking, and mooring; and (4) for municipalities, **Municipal Growth** (identifies future municipal growth areas to meet the demand for development at densities consistent with long-term development policy, while protecting sensitive areas and ensuring adequacy of public infrastructure). The land element *may* also include a priority preservation area subelement, which focuses on agricultural land preservation.

The subelements under the land element incorporate existing corresponding comprehensive plan elements under current law (addressing community facilities, mineral resources, fisheries, municipal growth, and priority preservation areas). The mineral resources and municipal growth subelements also incorporate existing review of the mineral resources content of the plan by MDE under current law and existing technical assistance available from MDP for the municipal growth content.

Transportation Element (See the bill's new §§ 1-408 and 3-104 and repeal of existing §§ 1-409 and 3-105)

- *Subjects the element must address:* (1) a safe, balanced transportation system for the movement of people and goods; (2) a range of sustainable transportation choices for future transportation needs; (3) coordination with the land element to ensure transportation efficiency for existing and planned development; (4) appropriate and desirable transportation patterns; (5) bicycle and pedestrian access and travelways; and (6) an estimate of the use of any proposed improvement.
- *State plans the element must be informed by:* (1) The Maryland Transportation Plan; (2) the Statewide 20-year Bicycle-Pedestrian Master Plan; and (3) the Maryland State Freight Plan.
- *State data, assistance, and/or review that must be provided or made available:* Transportation and other relevant data (from the Maryland Department of Transportation and other agencies).

Some of the requirements of the transportation element come from the transportation element under current law (those regarding transportation patterns, bicycle and pedestrian access/travelways, and estimated use of any proposed improvement).

Housing Element (See the bill's new §§ 1-409 and 3-105 and repeal of existing §§ 1-407.1 and 3-114)

- *Subjects the element must address:* (1) Provision of an adequate supply of housing to accommodate all current and anticipated future residents; (2) specified data on the jurisdiction's existing housing stock; (3) elimination of substandard dwelling conditions; (4) the need for affordable housing and the provision of adequate sites for future housing, including affordable housing; and (5) an assessment of fair housing to ensure the jurisdiction is affirmatively furthering fair housing (taking meaningful actions to overcome patterns of segregation and foster inclusive communities free from barriers restricting access to housing and opportunity).
- *State plans the element must be informed by:* (1) The Fair Housing Choice and Racial and Economic Housing Integration Report and (2) the State of Maryland Five-Year Consolidated Plan.
- *State data, assistance, and/or review that must be provided or made available:* (1) Housing and other relevant data (from MDP, the Department of Housing and Community Development (DHCD), and other agencies) and (2) technical assistance (from MDP, in consultation with DHCD).

Some of the requirements of the housing element come from the housing element under current law (those regarding the need for affordable housing and assessment of fair housing). The housing element also incorporates existing technical assistance available from MDP, in consultation with DHCD.

Economy Element (See the bill's new §§ 1-410 and 3-106)

- *Subjects the element must address:* (1) The jurisdiction's economic characteristics, opportunities, and resources; (2) desired categories or types of businesses and industries; and (3) coordination of a range of information to develop a strategy for the economic well-being of the jurisdiction and its residents.
- *State plans the element must be informed by:* (1) The State Workforce Development Plan and (2) the Maryland State Plan for Postsecondary Education.
- *State data, assistance, and/or review that must be provided or made available:* Economic development, labor force, and other relevant data (from MDP, the Department of Commerce, the Maryland Department of Labor, and other agencies).

Equity Element (See the bill's new §§ 1-411 and 3-107)

- *Subjects the element must address:* (1) Needs of overburdened and underserved communities and (2) interests of populations that typically have not participated in the planning process.
- *State plans the element must be informed by:* Annual report of the Commission on Environmental Justice and Sustainable Communities.
- *State data, assistance, and/or review that must be provided or made available:* (1) Population, demographic, and other relevant data (from MDP and other agencies) and (2) environmental justice data (from MDE).

Resilience Element (See the bill's new §§ 1-412 and 3-108)

- *Subjects the element must address:* (1) Coordination of short-term preparedness efforts with long-term strategies to avoid, reduce, and recover from changing conditions and associated disasters and (2) mutual assistance needed among State and local partners to respond to challenges of changing conditions and disasters and to build, advance, and maintain various capacities, including quality of life, health and well-being, human-made and nature-based infrastructure, and economic vitality.
- *State plans the element must be informed by:* (1) The State Resilience Strategy and (2) the State of Maryland Hazard Mitigation Plan.
- *State data, assistance, and/or review that must be provided or made available:* Population, demographic, economic development, housing, and other relevant data (from MDP and other agencies).

Place Element (See the bill's new §§ 1-413 and 3-109)

- *Subjects the element must address:* (1) Planning of new or revitalized public spaces to strengthen community cohesion and accomplish other specified goals and (2) promotion of the active care and maintenance of public spaces by the people who live there, supporting the continuation of local ways of life and cultural memories.
- *State plans the element must be informed by:* (1) The Maryland Land Preservation and Recreation Plan and (2) the Statewide Historic Preservation Plan.
- *State data, assistance, and/or review that must be provided or made available:* Population, demographic, economic development, housing, and other relevant data (from MDP and other agencies).

Ecology Element (See the bill's new §§ 1-414 and 3-110 and repeal of §§ 1-408, 1-410, 3-104, and 3-106)

- *Subjects the element must address:* (1) conservation, protection, and use of the environment and natural resources (including agricultural, mineral, and water resources), as well as architectural, scenic, cultural, historical, or archaeological resources; (2) preservation and enhancement of prime agricultural land and strategies to encourage compatibility with other land uses; and (3) vehicle greenhouse gas emissions likely to result from future development patterns.
- *State plans the element must be informed by:* (1) Maryland's Climate Pollution Reduction Plan; (2) the Maryland Land Preservation and Recreation Plan; and (3) the Statewide Comprehensive Outdoor Recreation Plan.
- *State data, assistance, and/or review that must be provided or made available:* (1) Population, demographic, economic development, housing, and other relevant data (from MDP and other agencies); (2) for the sensitive areas subelement, below, a statewide forest resource inventory (from the Department of Natural Resources (DNR)), information on habitat connectivity concerns and current and planned wildlife crossings (from MDP, coordinating with DNR and the State Highway Administration (SHA)), and review of the jurisdiction's subelement (by MDE and DNR); and (3) for the water resources subelement, below, technical assistance and review (from/by MDE).
- *Subelements that must be included:* (1) **Sensitive Areas** (seeks to protect sensitive areas from the adverse effects of development, and considers wildlife movement and habitat connectivity) and (2) **Water Resources** (identifies drinking and other water resources, and suitable receiving waters and land areas for stormwater management and wastewater treatment and disposal, to meet the needs of existing and future development).

The subelements under the ecology element incorporate existing corresponding comprehensive plan elements under current law (addressing sensitive areas and water resources). The sensitive areas and water resources subelements also incorporate (1) existing requirements, for the sensitive areas content of the plan, that data be provided by DNR, MDP and SHA, and the content be reviewed by MDE and DNR, and (2) existing requirements, for the water resources content, for technical assistance and review from/by MDE.

Current Law:

Comprehensive Plans

State law requires a local jurisdiction to adopt, and periodically review and update, a

comprehensive (or general) plan, and the jurisdiction’s zoning laws must be consistent with the plan. A municipality may be included as part of a county plan if approved by the legislative body of the county. At least once every 10 years, a comprehensive plan must be reviewed and, if necessary, revised or amended. Jurisdictions can also develop more detailed plans for specific areas within the jurisdiction.

Generally, the planning commission of a local jurisdiction develops the comprehensive plan and recommends the plan to the jurisdiction’s legislative body for approval/adoption.

A comprehensive plan must implement the planning principles established by Chapters 63 and 64 (see below) and include the requirement elements shown further above in Exhibit 1.

Planning Principles

Chapters 63 and 64 replaced 12 existing “visions” – that were required to be implemented through a local jurisdiction’s comprehensive plan – with 8 “planning principles”:

- (1) **land** – optimize productivity of working landscapes, including farms and forests, and fisheries, and prioritize development within population centers that are in proximity to existing infrastructure and facilities;
- (2) **transportation** – prioritize transportation networks that create energy efficient, affordable, and reliable access to jobs, housing, and services;
- (3) **housing** – enable a mix of quality housing types and affordability options to accommodate all who want to live in the State;
- (4) **economy** – allow for adaptive reuse, mixed-use, and context appropriate new development that responds to changing markets and innovations;
- (5) **equity** – engage all sectors of the community in plan development to ensure diverse voices are heard and the needs of underserved populations are prioritized;
- (6) **resilience** – integrate resiliency measures that will minimize the impacts of rapid and unexpected natural- and human-caused threats on communities;
- (7) **place** – provide for public spaces that encourage social interaction and value cultural, historical, and natural resources; and
- (8) **ecology** – protect and restore sensitive ecological systems and conserve natural resources, including forests, agricultural areas, and waterways.

The planning principles are collectively intended to create sustainable communities and protect the environment in order to foster a high quality of life for all residents of the State.

Background:

Modified and Reorganized Elements

MDP indicates that the bill (1) aligns the required elements of the comprehensive plan, statewide, with the eight planning principles, providing clarity for local governments regarding the content of the comprehensive plan; (2) modernizes the comprehensive planning process to align it with planning best practices (based on a nationwide review of state-enabling planning law); and (3) explicitly identifies levels of guidance and support from State agencies, led by MDP.

Land Use and Planning – Generally

The regulation of land use in the State, through planning and zoning, is implemented by local governments, subject to applicable State law. Planning and zoning authority is delegated by the State to local governments primarily under the Land Use Article of the Maryland Code and, for certain counties, the Express Powers Act (Title 10 of the Local Government Article).

Under State law provisions that govern MDP (Title 5 of the State Finance and Procurement Article), the department is required to cooperate with and assist local governments in the execution of their planning functions.

Express Powers Act

Under the Express Powers Act, charter and code counties are given broad authority to “enact local laws relating to zoning and planning to protect and promote public safety, health, morals, and welfare” pursuant to § 10-324 of Local Government Article.

Division I of the Land Use Article (within which the bill’s changes are made)

Most of Division I of the Land Use Article applies only to commission counties and municipalities (and any code counties that choose not to exercise the powers related to land use in the Express Powers Act). Sections 1-401(a), 1-402(b), and 10-103(a) of the Land Use Article establish that only certain provisions of Division I – those listed in §§ 1-401(b) and 10-103(b) – apply to charter counties (including Montgomery and Prince George’s counties), code counties that choose to exercise the powers related to land use in the Express Powers Act, and Baltimore City. The provisions of Division I that apply to charter counties, those specified code counties, and Baltimore City include (1) Title 1, Subtitle 4, Parts II and III, that govern those jurisdictions’ development and implementation of a comprehensive plan (but see Title 21, for Montgomery and Prince George’s counties) and (2) Title 10, which governs zoning in Baltimore City.

Comprehensive plan requirements applicable to commission counties, any code counties that choose not to exercise the powers related to land use in the Express Powers Act, and municipalities are in Title 3 of Division I, and comprehensive plan requirements applicable to the Maryland-Washington Regional District (in Montgomery and Prince George's counties) are in Title 21 of Division II.

Generally, municipalities (other than those within the Maryland-Washington Regional District) exercise planning and zoning authority within their territory pursuant to Division I of the Land Use Article; however, a small number of municipalities do not exercise planning and zoning authority and are instead subject to county land use laws.

“Planning” and “Zoning”

The Supreme Court of Maryland distinguishes “planning” and “zoning” by describing planning as focused on the long-term development of a community with respect to land use, streets, parks, civic beauty, industrial and commercial undertakings, residential developments, and other matters, while zoning is focused on the territorial division of land within a jurisdiction and dedication of the divided areas to particular uses (e.g., residential, commercial, industrial). See *Cnty. Council of Prince George's Cnty. v. Zimmer Dev. Co.*, 444 Md. 490, 505, 520 (2015). “Plans are developed to guide the implementation of land use controls and zoning in a rational way that is beneficial to the public.” *Id.* At 520.

The Supreme Court of Maryland indicated in *Mayor & Council of Rockville v. Rylins Enters.* that comprehensive plans have repeatedly been considered by the court as “advisory in nature and hav[ing] no force of law absent statutes or local ordinances linking planning and zoning. Where the latter exist, however, they serve to elevate the status of comprehensive plans to the level of true regulatory device.” 372 Md. 514, 530-531 (2001).

Local Fiscal Effect: Local government expenditures may increase in some jurisdictions to incorporate the bill's modified and reorganized comprehensive plan elements in their comprehensive planning processes (undertaken under existing law at least every 10 years). Any increased work associated with conforming jurisdictions' comprehensive plans with the new elements (and their required content) may be absorbed by jurisdictions that have sufficient permanent planning staff but may result in increased costs for jurisdictions that (1) rely on contractual services or supplemental staff to undertake their comprehensive plan review at least once every 10 years (or that will need to as a result of this bill) and (2) for whom assistance from MDP or other agencies does not fully cover additional work during the comprehensive planning process resulting from the bill. MDP indicates that the bill does not require local jurisdictions to review and update their comprehensive plans to conform to the new elements earlier than they otherwise would in accordance with the current 10-year review requirement.

While some local jurisdictions may incur increased costs to update their comprehensive plans when they are next reviewed, the bill’s modification and expansion of the required content of comprehensive plans is assumed to not have a direct impact on costs of government services or infrastructure addressed in the plan. As discussed above (under Background), comprehensive plans are considered advisory in nature. As stated in the bill, the comprehensive plan provides “goals, objectives, guidelines, standards, and strategies” for the development of the jurisdiction.

Additional Information

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

Designated Cross File: SB 197 (Chair, Education, Energy, and the Environment Committee)(By Request - Departmental - Planning) - Education, Energy, and the Environment.

Information Source(s): Department of Commerce; Calvert and Prince George’s counties; Maryland Association of Counties; Maryland-National Capital Park and Planning Commission; Maryland Department of Emergency Management; Maryland Municipal League; Maryland State Department of Education; Maryland Department of Agriculture; Maryland Department of the Environment; Department of Housing and Community Development; Maryland Department of Labor; Department of Natural Resources; Maryland Department of Planning; Maryland Department of Transportation; Baltimore City; Department of Legislative Services

Fiscal Note History: First Reader - January 20, 2026
jg/sdk Third Reader - March 18, 2026
Revised - Amendment(s) - March 18, 2026

Analysis by: Joanne E. Tetlow

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Land Use - Comprehensive and General Plans - Alteration of Elements

BILL NUMBER: HB 243

PREPARED BY: Andrew Wilson, MDP Government Affairs Specialist

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This bill aims to make a series of amendments to the Land Use Article surrounding the content of comprehensive planning elements and the general provisions of comprehensive plans themselves. These updates, from a holistic view, include 1) the insertion of the eight Planning Principles established via SB 266/HB 286 of the 2025 Session as their own comprehensive planning elements and reorganizing previous elements as sub-elements, 2) adds a requirement of the Department of Planning to provide local jurisdictions with guidance and support in accordance with the adoption and implementation to each element and sub-element, and 3) codify general provisions locally adopted comprehensive plans shall satisfy.

Collectively, these updates modernize the comprehensive planning process to align it with planning best practices and charges MDP, in consultation with other state agencies, to provide guidance and support to local jurisdictions as they amend and adopt comprehensive plans. The intended result of these changes is to produce sounder, more robust comprehensive plans which properly prepare a locality for growth, economic and societal shifts, and also improve their ability to meet their goals. Local businesses will experience a positive economic impact as the implementation of comprehensive plans with these aligned elements will help boost local economic health, lower the cost-of-living burden, and promote the development of multiple transportation modalities.