

Department of Legislative Services

Maryland General Assembly

2025 Session

FISCAL AND POLICY NOTE

Third Reader - Revised

Senate Bill 266

(Chair, Education, Energy, and the Environment

Committee)(By Request - Departmental - Planning)

Education, Energy, and the Environment

Environment and Transportation

Local Comprehensive Planning and State Economic Growth, Resource Protection, and Planning Policy - Planning Principles

This departmental bill replaces the 12 “visions” – that a local planning commission must implement through a local jurisdiction’s comprehensive plan – with 8 “planning principles.” The bill establishes (1) the goals of the planning principles and (2) that the goals should be accomplished through public participation and stewardship. Correspondingly, the bill (1) alters identical text – that makes up the State Economic Growth, Resource Protection, and Planning Policy – in the same manner, so that the policy consists of the 8 “planning principles,” and (2) references the new policy under specified criteria for State funding of growth-related transportation projects that are not in a priority funding area, as described below.

Fiscal Summary

State Effect: The bill does not directly affect State finances.

Local Effect: The bill is not expected to have a direct, material impact on local government finances.

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

Analysis

Bill Summary/Current Law:

Local Comprehensive Plans and the State Economic Growth, Resource Protection, and Planning Policy – Planning Principles

The bill replaces the 12 “visions” – that a local planning commission must implement through a comprehensive plan, and that make up the State Economic Growth, Resource Protection, and Planning Policy – with 8 “planning principles,” as shown in **Exhibit 1**.

The bill establishes – with respect to implementation of the planning principles through a comprehensive plan – that the collective intent of the planning principles is to create sustainable communities and to protect the environment in order to foster a high quality of life for all residents of the State. To accomplish these goals, residents should be active partners in the planning and implementation of community initiatives and sensitive to their responsibilities as stewards in balancing and achieving community goals.

Under current law (and under the bill), counties and municipalities must review and update their comprehensive plan at least once every 10 years.

Transportation Projects Outside of Priority Funding Areas

Under current law (and under the bill), the State may not provide funding for a growth-related project (defined in § [5-7B-01](#) of the State Finance and Procurement Article) if the project is not located within a priority funding area (defined in § [5-7B-02](#) of the State Finance and Procurement Article), subject to exceptions if specified criteria are met. Among various criteria under current law for the State to provide funding for a growth-related transportation project that is not in a priority funding area, is a criterion that adequate access control or other measures are in place to prevent development that is inconsistent with specified elements of the current State Economic Growth, Resource Protection, and Planning Policy. The bill instead requires, under that criterion, that adequate access control or other measures are in place to prevent development that is inconsistent with the full, new State Economic Growth, Resource Protection, and Planning Policy established by the bill (the 8 new planning principles, shown in Exhibit 1).

Cross-references

The bill requires the publisher of the *Annotated Code of Maryland*, in consultation with and subject to the approval of DLS, to (1) correct cross-references and terminology rendered incorrect by the bill and (2) describe any correction made in an editor’s note following the section affected.

Exhibit 1
**Local Comprehensive Plans – and – the State Economic Growth, Resource
Protection, and Planning Policy**

“Visions” (Under Current Law) Are Replaced by “Planning Principles” (Under the Bill)

Current Law – Visions

- (1) **quality of life and sustainability** – a high quality of life is achieved through universal stewardship of the land, water, and air resulting in sustainable communities and protection of the environment;
- (2) **public participation** – citizens are active partners in the planning and implementation of community initiatives and are sensitive to their responsibilities in achieving community goals;
- (3) **growth areas** – growth is concentrated in existing population and business centers, growth areas adjacent to these centers, or strategically selected new centers;
- (4) **community design** – compact, mixed-use, walkable design consistent with existing community character and located near available or planned transit options is encouraged to ensure efficient use of land and transportation resources and preservation and enhancement of natural systems, open spaces, recreational areas, and historical, cultural, and archaeological resources;
- (5) **infrastructure** – growth areas have the water resources and infrastructure to accommodate population and business expansion in an orderly, efficient, and environmentally sustainable manner;
- (6) **transportation** – a well-maintained, multimodal transportation system facilitates the safe, convenient, affordable, and efficient movement of people, goods, and services within and between population and business centers;

Under the Bill – 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.

- (7) **housing** – a range of housing densities, types, and sizes provides residential options for citizens of all ages and incomes;
- (8) **economic development** – economic development and natural resource-based businesses that promote employment opportunities for all income levels within the capacity of the State’s natural resources, public services, and public facilities are encouraged;
- (9) **environmental protection** – land and water resources, including the Chesapeake and coastal bays, are carefully managed to restore and maintain healthy air and water, natural systems, and living resources;
- (10) **resource conservation** – waterways, forests, agricultural areas, open space, natural systems, and scenic areas are conserved;
- (11) **stewardship** – government, business entities, and residents are responsible for the creation of sustainable communities by collaborating to balance efficient growth with resource protection; and
- (12) **implementation** – strategies, policies, programs, and funding for growth and development, resource conservation, infrastructure, and transportation are integrated across the local, regional, State, and interstate levels to achieve these visions.

Source: Department of Legislative Services

Background: MDP indicates that replacing the 12 “visions” with 8 “planning principles” (1) clarifies and simplifies the State’s growth/planning policy; (2) expands the policy’s focus to sustainable growth through the inclusion of principles on resilience and equity; and (3) addresses practical difficulty experienced by local planning officials and their staff in implementing the 12 visions alongside other comprehensive plan requirements.

Additional Information

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

Designated Cross File: HB 286 (Chair, Environment and Transportation Committee)(By Request - Departmental - Planning) - Environment and Transportation.

Information Source(s): Board of Public Works; Department of Commerce; Department of Housing and Community Development; Baltimore City; Kent, Montgomery, Washington, and Worcester counties; Maryland Association of Counties; Maryland Department of Emergency Management; Maryland Department of Planning; Maryland Department of Transportation; Maryland Municipal League; Towns of Bel Air and Riverdale Park; Department of Legislative Services

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Local Comprehensive Planning and State Economic Growth, Resource Protection, and Planning Policy - Planning Principles

BILL NUMBER: HB 286

PREPARED BY: Andrew Wilson, Department of Planning 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

 X WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This proposal aims to rebuild the State’s Economic Growth, Resource Protection, and Planning Policy (Policy) by consolidating the Policy’s “visions” into eight planning principles that will guide and inform State and local planning practices. Given that this rebuilding focuses on aspects that touch substantial pillars of small business operations, from land use and transportation to economy, equity, and housing, this proposal will have a meaningful, positive impact on Maryland small businesses. This positive impact will be realized due to increased attention, understanding, and usage of the Policy by planners and throughout planning practices in the State.