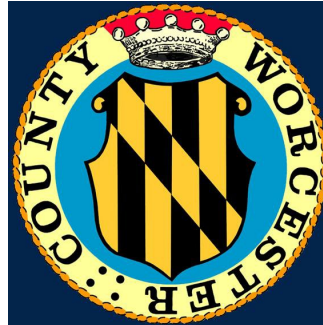




Government Update



ADVOCACY

advocacy@coastalrealtors.org



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Wicomico County Legislative Issues

[Click Here to view the draft Salisbury Comprehensive Plan.](#)

Recommendations include allowing for ADUs, leverage State and Federal funds for affordable projects, look at the zoning code for opportunities to allow different housing types, and more.

Some housing points the City states by their own study is that Salisbury has a lack of affordability at all levels, stagnant development, a need for housing rehabilitation, substantially more renters than owner-occupied units, and more.





Somerset County Legislative Issues

Somerset Republicans have sent Kevin Anderson's name to the Governor for appointment to District 38A. Anderson hails from Princess Anne and is a farmer. His appointment is still pending.

Delegate Anderson has been sworn in this week and now serves as one of our Delegates!



ADVOCACY

advocacy@coastalrealtors.org



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Worcester County Legislative Issues

Ocean City Update

Meeting held on 01/05/2026 at City Hall yielded no new updates regarding the Council's direction on the Short-Term Rental matter. Only half of the discussion was held (that being of the proposed options from two months ago, the items to limit quantity and to limit ownership were discussed).

From that discussion, ordinances to prohibit non-persons (these being LLCs, Trusts, Partnerships, or other entities) from owning property in R-1 and MH neighborhoods **will not be pursued**.

Also, ordinances prohibiting an individual from owning more than one property in those zones **will not be pursued**.

The Council asked for ordinance text for a **R-1 and MH STR Phase Out and Freeze** and a third option, proposed by Councilman Savage, that would permit current property owners from using their R-1 and MH properties as rentals but not permit owners that purchase their properties in the future (a date to be determined) to obtain STR licenses.

A future meeting will explore regulations outside of length-of-stay, like requiring a property manager be closer to Ocean City or have their brick-and-mortar office be in the corporate limits. There are many options in this category and will be narrowed down.



Worcester County Legislative Issues

Ocean City will hold a public hearing next Tuesday at 6PM for their comprehensive plan draft during it's Planning and Zoning Commission meeting.

A summary of the plan can be found here:

https://granicus_production_attachments.s3.amazonaws.com/oceancitymd/169d9fe40be79aeb6f120f7cc67a99ae0.pdf



Worcester County Legislative Issues

Pocomoke City is exploring legislation to eliminate STRs in residential districts. The draft ordinance is not available on their website and I have requested more information.





Session Preview



Housing Supply and Affordability

Maryland continues to fall far behind other states when it comes to enacting meaningful legislation to expand housing opportunities and diversify housing options for residents. Recent reports from the Department of Housing and Community Development (DHCD) and the Office of the Comptroller outline the dramatic impacts our housing crisis is having on our state:

Maryland needs an additional 590,000 housing units by 2045

Housing production must increase by 70% to reach this target

The percentage of Maryland residents that can afford the median priced home has fallen from 75% to just 50%

Maryland is losing 40,000 residents annually to states with lower housing costs

Maryland REALTORS® urges state officials to reverse these trends and begin growing our economy through enactment of meaningful housing legislation. This includes:

Expanding the production of middle housing options (like townhomes, duplexes, and cottage homes) and where those homes can be located, so that more Marylanders can find housing that meets their needs.

Holding officials accountable for producing housing within their jurisdictions until those shortages are eliminated and rewarding those that do for their efforts.

Providing an orderly, predictable, and affordable development approval process to speed up housing production, and enacting penalties for governments when they arbitrarily change requirements.

Consider measures to expand the Renters' and Homeowners' tax credit programs and address the steep rise in property tax assessments for rental properties not covered by the state's homestead exemption.

40-Year Homeowner Benefit Agreements

In 2024, Maryland REALTORS® successfully passed legislation to prevent the future use of Homeowner Benefit Agreements (HBAs), whereby homeowners are offered cash payments in exchange for agreeing to use a certain real estate brokerage in the future. This legislation did not address the 1,000 HBAs that were already in place. Using existing Arizona law as a model, Maryland REALTORS® will seek legislation to release these homeowners from their HBA agreements.

Condo and HOA Act Reforms

REALTORS® continue to face challenges with excessive and inconsistent fees charged by Condominium and Homeowners' Associations for required resale disclosure

Maryland REALTORS® will continue to pursue legislation to rein in unreasonable resale fees and protect clients from unnecessary costs.





Session Preview

Transactional Brokerage

Across the county, several states allow for a “transactional brokerage” model, where a real estate professional facilitates a residential transaction without fully representing either side. This option primarily benefits experienced buyers and sellers who want professional guidance but not the full scope of traditional agency services. Maryland REALTORS® will seek to expand brokerage laws to include transactional representation as a choice for both consumers and practitioners.

Return of Deposits Amendments

In 2023, REALTORS® successfully advocated for legislation that streamlined the return of deposit process when a buyer properly terminates a real estate contract based upon an outlined contingency. This year, Maryland REALTORS® will seek legislation to expand the deposit return provisions to all contingencies listed in the contract of sale and clarify the procedures a seller must follow to contest the deposit release.

Property Tax Assessments for Rental Properties

Rising property tax assessments have driven up housing costs across Maryland. In some areas, assessments have surged 20–50%, putting pressure on both renters and rental property owners — particularly in jurisdictions with rent control. In 2026, Maryland REALTORS® will advocate for legislation to base property tax assessments for long-term rental properties on actual rental income, which will offset increases in rents attributable to property tax increases.

Online Real Estate Disclosure Portal

Each year, new disclosure requirements make Maryland’s contract of sale longer and more confusing for both REALTORS® and buyers. To simplify and modernize the process, Maryland REALTORS® will pursue legislation in 2026 to create a single online real estate disclosure portal to create a more transparent, efficient, and user-friendly homebuying experience.

Maryland Land Records System Access Fees

In March, Maryland Archives alerted users of the state’s land records system (MDLandRec.net) that a new user fee would be implemented which would significantly increase consumer and industry costs. Working with a broad coalition of stakeholders, REALTORS® successfully defeated this proposal. Maryland REALTORS® will continue to engage on this issue until a permanent solution can be found.

View the MR [webinar on this upcoming session here](#).





Presidential Decisions on Housing

The President has expressed his desire for Congress to prohibit institutional investors from purchasing single-family homes.

Also, The President called for the purchase of \$200 Billion in mortgage bonds as an effort to drive mortgage rates down.

Both could be included in an potential future Executive Order





State Tax Increase

As of Jan 1, 2026, nonresident withholding tax is set at either 8.75% for individuals or 8.25% for businesses.

[This can be found by clicking here](#)





Lower Shore Candidates

[Please use this link to see candidates who have filed for election in State and Local elections.](#)

I have been monitoring this site in preparation for this upcoming election year. This is updated twice a day and more have filed in the past few weeks as we approach the filing deadline in February.





Comptroller and DHCD Housing Update

The Maryland Comptroller, Brooke Lierman, presented her office's Housing portion of the State of the Economy, [linked here](#).

In it are key findings pertaining to Maryland's housing economy, including an acknowledgement of the 100,000 unit shortage in the state, potential reasonings behind that shortage including rising costs of materials and labor (Maryland cost of building exceeds the national average), stagnant permitting (neighbor states and states with high growth outpace Maryland in single-family and multi-family permitting), among other data points.

One analogy the report draws is to the Smith Island Cake, where the process to obtain the necessary permits to development is similar to our Somerset attraction's layers of cake and fudge.

Suggestions include expanded townhome zoning, residential development in commercial zones, ADU implementation, building code reform, among others. Certainly an interesting read and I'll have a summary of it next week!





New Features to the CAR Website

I've added a [Local Government Meeting Portal](#) on the CAR website so that members can see when and where government meetings are. There's also a link to agenda portals for each county or municipality.

I've also included a [New Maryland Real Estate Law](#) page as well highlighting some of the bigger bills passed in the 2025 Session in hopes that members can more easily access these new laws in one central place.





DHCD Housing Needs Assessment for 2026

[Click here to read the full assessment.](#)

DHCD put their housing needs assessment out this past week – here are a few key takeaways:

- Maryland needs about 590,000 new housing units by 2045 to meet projected demand
- The cost burden for renters has increased from 33% since 2000 to 46% since 2022.
- Homeownership is increasingly out of reach for moderate-income households; only 49% could afford the median home in 2022, down from 75% in 2000.
- For every 1,000 renters earning 0–30% of Area Median Income (AMI), 610 affordable homes are missing.
- The lower shore has an average of 20% - 55%+ of its renters are cost burdened.
- Total annual permitted units has been halved since 2000.

Maryland's housing shortage is multifaceted, and DHCD will be bringing forth legislation this Session to remedy the worsening inventory shortage for our state. This is a very interesting read and I'm happy to discuss further!

