



Framing Futures: Pro-Housing Legislation Goes Vertical in 2025

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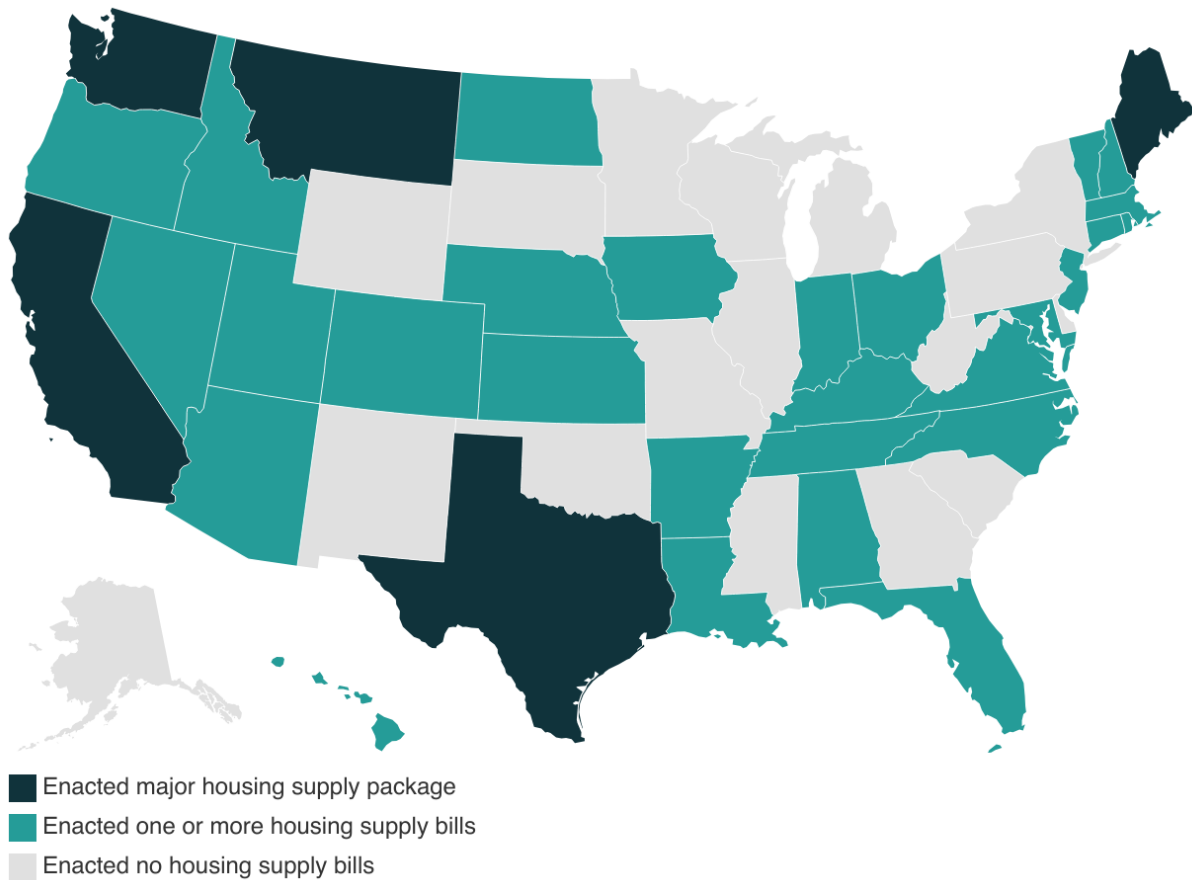
July 2025

With no relief from high home prices and rents, more and more state legislators are interested in pursuing housing reform. As a result, state legislatures set new records for the number and strength of new laws intended to unlock homebuilding.

The year since our last brief¹ has seen an inarguable jump in new laws with a serious chance of easing the housing supply crisis, from reforms to the permitting process to the most sweeping blows against mandatory parking minimums yet seen. In the previous legislative year, legislators proposed 263 individual bills to make it easier to build housing; this year, 412 such bills emerged. Most state legislatures have now adjourned, and a clear picture of the year's successes and failures—visualized in figure 1—is emerging:

- From July 2024 through June 2025, 124 pro-housing bills have been passed (see table 2), 104 of those in the first six months of 2025.²
- Texas passed a major pro-housing package likely to spur infill construction in its major counties, setting a new standard for legislation to ease housing development in commercial areas.
- States with a track record of success—especially Montana and Washington—did not rest on their laurels either, pushing the envelope of YIMBY (yes in my backyard) legislation to include actions such as sharply limiting residential parking requirements and (in Montana) directly capping height limits.
- Legislators focused on policy changes with a real chance of major impact. Counterproductive legislation to prohibit investment companies from buying single-family homes went nowhere despite populist advocacy, and modest laws to allow religious congregations to

FIGURE 1. States that enacted housing supply bills, July 2024–June 2025



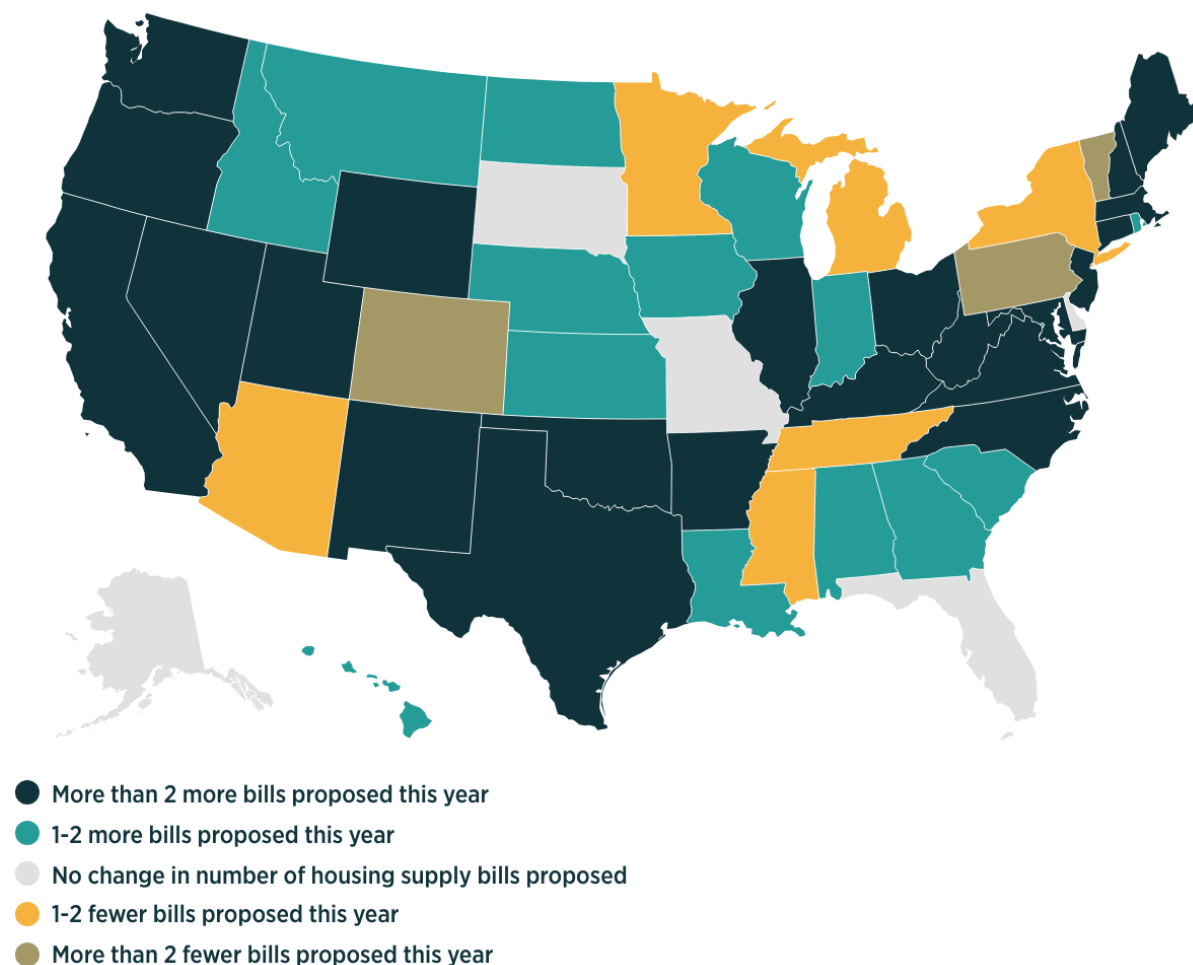
Note: California, Massachusetts, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, and Wisconsin typically pass bills in the second half of the calendar year.

Source: Authors' tabulation and analysis.

build on their land did not see much movement. By contrast, reforms to parking minimums were this year's breakout success.

- California made building infill housing much easier, exempting most infill housing development from the much-abused California Environmental Quality Act (CEQA), and it may pass a strong transit-oriented development bill.
- The high ambitions of YIMBY policymakers are visible, with major victories still possible later this year in North Carolina and a few other states and credible legislation passing in relative newcomers such as Arkansas, Iowa, and Nevada. Most states considered more bills than in previous years (see figure 2).

FIGURE 2. Change in the number of distinct pro-housing bills under consideration since the last session of the state legislature



Source: Authors' tabulation and analysis.

“Bill Printer Go Brrrr”

In the previous policy brief, we divided the country into states where housing is “on the agenda” and states where it is not.³ This year, many more states took housing policy seriously (see table 1). Much more YIMBY legislation was proposed this year than ever before in Illinois, although the state did not pass any bills. Nevada, a state with a high cost of living that did nothing on housing when its legislature last met in 2023, this year passed an accessory dwelling unit (ADU) law, among other reforms. States in the South and Midwest, which have less acute affordability problems and have not been part of the housing conversation in years past, passed meaningful legislation conversant with nationwide housing policy ideas. For instance, Iowa and Arkansas passed strong ADU laws, and Indiana listed various pro-housing reforms as options for local governments seeking eligibility for a certain funding program.

TABLE 1. Housing supply bills passed in recent legislative sessions

July - Dec 2022	10
Jan - June 2023	30
July - Dec 2023	15
Jan - June 2024	50
July - Dec 2024	20
Jan - June 2025	104

Source: Authors' tabulation. See Eli Kahn and Salim Furth, "Breaking Ground: An Examination of Effective State Housing Reforms in 2023" (Mercatus Policy Brief, Mercatus Center at George Mason University, August 1, 2023) and Eli Kahn and Salim Furth, "Laying Foundations: Momentum Continues for Housing Supply Reforms in 2024" (Mercatus Policy Brief, Mercatus Center at George Mason University, July 22, 2024).

One reason for the increase in legislation is that four states—Montana, Nevada, North Dakota, and Texas—meet only in odd-numbered years. These four states accounted for 48 bills introduced, one-third of the year-over-year increase.

States where housing was already on the agenda also increased the number of bills they considered and enacted. Maine, where we tracked 4 pro-housing bills in 2024 and 10 in 2025, exemplifies this trend. Speaker Ryan Fecteau, whose ambitious ideas in the 2022 legislative session were diluted with compromise provisions, returned in 2025 to finish the job. His signature bill, Legislative Document (LD) 1829, caps minimum lot sizes statewide at 5,000 square feet for lots with sewer and 20,000 square feet for those with septic and allows at least three homes on each sewered lot. The bill closes several loopholes against town obstruction—and it somehow tiptoed through Maine's legislature without a roll call vote. Other acts in Maine remove redundant environmental approvals, limit parking minimums, and limit impact fees.⁴

Not every state increased the number of bills that it considered—after major reforms last year, Colorado took up only two this year—but more states expanded their housing legislation portfolio than did not. (Although harder to quantify, the scope and reach of bills introduced has increased comparably to their number.)

The most dramatic change is the year-over-year increase in bills that would expedite the permitting process, which approximately doubled. We noticed an increasing number of bills that addressed the judicial system, such as an Alabama law that clarifies how appeals from a zoning board decision are handled, and began tracking that category separately. Likewise, the number of bills to ease ADU construction grew from 46 to 61, not counting states whose legislatures did not meet last year.

Texas Build 'Em

The Lone Star State secured its position on the list of states that have enacted transformative land use reform packages. Despite its short, biennial legislative session, the Texas legislature passed seven significant housing bills:

- Senate Bill (SB) 840 sets a new standard for bills to legalize housing construction in commercial districts: Large cities must allow housing construction to the density of the existing built environment or to a statewide minimum, whichever is higher.⁵
- SB 15 cuts minimum lot sizes to 3,000 square feet for large subdivisions in populous cities.
- House Bill (HB) 24 effectively eliminates Texas's vexing "valid petition" process for housing, by which a few neighbors could force a supermajority vote on any proposed rezoning.⁶
- SB 1567 prohibits university towns from barring unrelated adults from living together, clearing an obstacle to student housing.
- SB 2477 exempts adaptive reuse projects in big counties from impact fees, public hearings, and certain zoning requirements, including parking minimums.
- SB 2835 gives local governments permission to allow buildings of up to six stories to have a single staircase.⁷ (Some states, such as Connecticut, have gone further and required that single-stair buildings be allowed in the statewide building code.)
- SB 1883 curbs local impact fees, requiring a legislative supermajority for a local government to institute such a fee and prohibiting the local government from raising those fees more than once every five years.
- SB 785 prohibits bans on HUD code compliant manufactured housing and limits imposing special fees on manufactured housing in most of the state.

2 Montana 2 Miracle

Unlike Texas, Montana and Washington are no newcomers to pro-housing legislation; both passed major reforms in 2023.⁸ At opposite ends of the political spectrum, both nevertheless recommitted to bipartisan, pro-housing legislation.

Montana became the first state to directly preempt height limits, with SB 243, and capped parking minimums at one per unit (zero for units smaller than 1,200 square feet) with HB 492. Other Montana reforms included an ADU law (SB 532), reforms that make manufactured housing parks easier to build (SB 252 and SB 174), a law allowing buildings of up to six stories to have a single staircase (SB 213), and a law requiring that certain legal disputes be resolved in favor of "the free use of property" (SB 214).

Washington enacted the Parking Reform and Modernization Act, which eliminates parking mandates for apartments up to 1,200 square feet and caps mandates for larger homes in cities with

a population of 30,000 or more. Other Washington reforms this year include HB 1491, which allows mid-rise multifamily development within walking distance of transit stations; HB 1576, which limits local governments' ability to abuse historic landmark designation; HB 5571, which limits local requirements for exterior cladding materials; and HB 1096, which eases the process for certain lot splits.

Blueprints for Effectiveness

Last year, we predicted that public opinion and bipartisan support would sustain legislators' interest in blocking institutional investors from buying single-family homes.⁹ No such bill has even made it to a floor vote, although lawmakers introduced them in no fewer than 28 states over the past two years. Cynics might see the hand of corporate lobbyists in this turn of events, but a more charitable interpretation is that legislators recognized that anti-investor laws would discriminate against renters without doing much to lower the cost of housing.

Instead, legislators are leaning on policies with proven political or practical success. The gateway drug of housing abundance policy, the ADU law, remained popular: Besides Iowa and Arkansas, Maryland, Massachusetts, New Hampshire, and Nevada passed new ADU laws. California, Maine, Montana, and Washington expanded ADU building rights, and Hawaii reformed rules on wastewater systems, which were making ADUs hard to build.

Last year, we noticed that new ADU statutes were better written, their writers seemingly having learned from California's iterative and ultimately successful attempts to close loopholes.¹⁰ This year, that dynamic has spread to other policy areas. Texas's RICZ (residential in commercial zones) bill, SB 840, avoids a pitfall of Florida's Live Local Act, which incentivizes local downzonings.¹¹ Montana's SB 243 and Arizona's HB 2110 addressed flaws in RICZ bills that each had previously passed.¹²

Bills that take steps toward legalizing the construction of buildings of up to six stories that have a single staircase, a successful accelerator of infill development in Seattle,¹³ built on their breakout success in 2024 with laws enacted in Colorado, Hawaii, Maryland, Montana, New Hampshire, and Texas.

Parking reform lost its patron saint, Donald Shoup, in 2025,¹⁴ but it gained traction in states that enacted major reform packages. Washington did away with local parking minimums almost entirely, Montana eliminated them for homes up to 1,200 square feet, New Hampshire limited them to one space per unit, and Maine limited them to one space per unit for construction in locally designated "growth areas." Texas exempted adaptive reuse projects from parking minimums. Florida's housing omnibus bill closed some loopholes in 2023's Live Local Act, including changing a requirement for local governments to "consider reducing" parking requirements for eligible

developments upon request to a mandate to do so. Utah, curiously, passed a bill that preempted local requirements for the dimensions, but not the number, of parking spaces.

By contrast, last year's "yes in God's backyard," or YIGBY, trend is stuck in purgatory. Designed to benefit renters and land-rich, cash-poor congregations by allowing the latter to use their land for housing, only 2 of 18 YIGBY bills succeeded in the past 12 months, in each case as a small part of a big omnibus bill. The appeal of YIGBY was that it might broaden the coalition for pro-housing legislation beyond its base of urban yuppies and libertarian mavericks. This result does not seem to have panned out. The exception is Virginia, where the pro-housing coalition has been built around YIGBY policy ideas. But even there, success in building a coalition has not yet delivered legislative results.

Heads Carolina, Tails California

In 2025, big risks paid off. Dogged legislators from California to New Hampshire and Maine brought their bills back bigger than ever (see table 2). A Texas-sized housing package brought Democrats and Republicans together in Austin. Washington and Montana cemented their standing as the YIMBY movement's valedictorian and salutatorian, with legislative packages just as ambitious as in previous years.

The book may not yet be closed on this year's victories—or setbacks. North Carolina passed a near-total ban on downzoning as part of a disaster recovery bill in late 2024.¹⁵ It might be repealed, in whole or in part, in 2025. Alternatively, the Tar Heel State might build on that success by repealing parking minimums statewide, a reform that garnered unanimous approval in the otherwise fractious legislature.¹⁶

Not to be outdone by Texas or Washington, California may be shaking off years of half measures in addressing its deep deficit of housing. Although it has passed many bills each year, including 15 in the 2024 session, the ongoing 2025 session has a different tone.

With the support of Governor Gavin Newsom, the state legislature passed housing reform provisions by amending them into Assembly Bill (AB) 130, a trailer bill to the state's budget.¹⁷ Incorporating provisions of Assemblymember Buffy Wicks's AB 609 and other bills, AB 130 exempts most infill housing from having to follow the painstaking and expensive process laid out in CEQA, which empowers opponents to use litigation to delay or cancel housing projects.¹⁸ The bill also strengthens protections for ADUs and for housing on faith-based or nonprofit land; makes permanent some laws limiting capricious local permitting actions; and makes pro-growth reforms to California's state building council. Another budget trailer bill, SB 131, exempts fair-share rezoning actions and farmworker housing from CEQA review. Last year's package of new laws will also help to nurture infill, notably SB 1123, which extends missing-middle provisions to vacant lots in single-family zones.

TABLE 2. Selected housing policies considered and bills enacted, July 2024–June 2025

POLICY AREA	STATES WHERE A BILL CONSIDERING THE POLICY WAS INTRODUCED	BILLS ENACTED
Providing easier permitting for accessory dwelling units	AZ, AR, CA, CT, DE, FL, HI, IL, IA, KY, ME, MD, MA, MN, NE, NV, NJ, NM, NC, OR, SC, TX, UT, VA, WA, WV	AR: HB 1503 AZ: SB 1529 CA (2024): SB 1211, AB 3057, SB 1077, AB 2533; (2025): AB 130 HI: HB 735 IA: SF 592 ME: LD 1829 MD: HB 1466 MA (2024): H 4726 MT: SB 532 NV: AB 396 NH: HB 577 OR: HB 2138 WA: HB 1353
Legalizing duplex, triplex or fourplex housing in single-family zones	AR, CA, CT, IL, KY, ME, MA, MN, MT, NE, NH, NJ, NM, NY, NC, OK, OR, RI, UT, VA, WA	CA (2024): SB 1123 ME: LD 1829 OR: HB 2138 RI: HB 5797, SB 1092
Zoning for high density near transit	CA, CT, DC, HI, MD, MA, MN, NJ, NM, NY, NC, RI, VA	CA (2024): AB 3177, AB 2553 HI: SB 1263, HB 1409 WA: HB 1491
Relaxing parking minimums	AR, CA, CT, FL, IL, ME, MD, MA, MN, MT, NH, NJ, NM, NY, NC, OK, TX, UT, VA, WA	FL: SB 1730 ME: LD 427 MT: HB 492 NH (2024): HB 1400; (2025): SB 284 RI: SB 1083 UT: SB 181 TX: SB 2477 WA: SB 5184, HB 1491
Relaxing minimum lot size requirements	AZ, FL, ME, MA, MN, NH, NJ, NM, NY, NC, OR, RI, TX, UT, VA, WA, WV	ME: LD 1829 OR: HB 2138 RI: SB 1083 TX: SB 15 WA: HB 1096

TABLE 2. (continued)

POLICY AREA	STATES WHERE A BILL CONSIDERING THE POLICY WAS INTRODUCED	BILLS ENACTED
Streamlining the permitting process	AL, AZ, AR, CA, CT, FL, GA, HI, ID, IN, KS, KY, ME, MD, MA, MN, MO, MT, NE, NH, NJ, NM, NY, NC, OH, OK, OR, RI, SC, TN, TX, UT, VT, VA, WA, WV, WY	AZ: SB 1353, SB 1529 AR: SB 322 CA (2024): SB 450, AB 1820, AB 2553, AB 3057; (2025): AB 130, SB 131 FL: SB 784, SB 1080 HI: SB 38, SB 66, SB 1263 ID: S 1164 IN: HB 1005 KS: HB 2088 KY: SB 25 ME: LD 970, LD 1498, LD 1829 MT: HB 713, SB 175, SB 262 NH (2024): HB 1359; (2025): SB 188 NJ: A 5130* NC (2024): S 166 OH: HB 96 OR: SB 974, HB 2138, HB 2658 RI: HB 5794, HB 5795, SB 1087, SB 1088 TN: SB 1313 TX: HB 24, SB 1883, SB 2477 UT: HB 368 VA: HB 2680, SB 974 WA: HB 1935, HB 1757, SB 5611, SB 5599
Making it harder to use the judicial or housing appeals systems to block housing	AL, AZ, AR, CA, CT, FL, LA, ME, MD, MA, MT, NH, NM, NC, OR, TX, VT, WA, WV, WY	AL: HB 281 CA (2024): AB 2023; (2025): AB 130, SB 131 FL: SB 1730 LA: HB 446 ME: LD 1829 MT: HB 427, SB 214 NH: HB 399 OR: SB 817 TX: HB 24, SB 15
Limiting local design requirements or bans on manufactured housing	AZ, AR, FL, KY, ME, MN, MT, NH, NM, OK, OR, TN, TX, UT, VA, WA	KY: HB 160 ME: LD 1829 MT: SB 174, SB 243, SB 252 OR: HB 3144 TX: SB 785, SB 2477 UT: SB 181 WA: SB 5571

TABLE 2. (continued)

POLICY AREA	STATES WHERE A BILL CONSIDERING THE POLICY WAS INTRODUCED	BILLS ENACTED
Directing the state building council to study or permit buildings up to six stories with a single staircase	CO, DC, HI, KY, MD, MA, MT, NH, NC, TX	CO: HB 25-1273 HI: HR 60 MD: HB 0489 MT: SB 213 NH: SB 282 TX: SB 2835
Other reforms pertaining to the state building code	CA, HI, IA, ME, NH, UT, WA	CA: AB 130 HI: HB 735 NH: HB 413, HB 428 UT: HB 171, HB 313 WA: HB 1757
Enacting mandates to plan for housing, including "fair share" requirements and incentives for upzoning	CA, CT, FL, GA, HI, IN, MD, MA, MN, MT, NE, NJ, NM, NY, OH, RI, UT, VA, WA	CA (2024): AB 1886, AB 3093; (2025): SB 131 IN: HB 1005 MD: HB 1193 NE: LB 266 RI: HB 5794, SB 1088 WA: HB 1491, SB 5148
Allowing more residential uses in commercial zones	AZ, AR, CA, CT, FL, HI, KY, ME, MN, MT, NV, NH, NJ, NM, NC, RI, TX, UT, VA, WA	AZ: HB 2110 FL: SB 1730 CA (2024): AB 2243, AB 2488 CT: SB 1444 ME: LD 997 MT: SB 243 NV: AB 241 NH: HB 631 RI: HB 5794, HB 5797, HB 5800 TX: SB 840, SB 2477 WA: HB 1757
Allowing religious and nonprofit organizations to build housing on their land	AZ, CA, CO, FL, KY, MA, MN, NY, NC, PA, SC, TX, VA, WA	CA: AB 130 FL: SB 1730
Limiting house purchases by institutional investors	AZ, CT, FL, GA, HI, IL, IN, IA, KY, MA, MN, MT, NH, NJ, NM, NY, NC, OH, OK, RI, TN, TX, UT, VA, WA, WI	

Note: *Awaiting signature by the governor as of publication date.

California still has several months to go in its legislative session and could pass at least one more transformative piece of legislation: SB 79, which would allow apartment buildings near transit statewide.

About the Authors

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Notes

1. Eli Kahn and Salim Furth, "Laying Foundations: Momentum Continues for Housing Supply Reforms in 2024" (Mercatus Policy Brief, Mercatus Center at George Mason University, 2024).
2. In practice, this number includes bills that passed the legislature by June 30, 2025, even if they were signed into law in July. Also included are two bills awaiting expected gubernatorial signatures in New Hampshire and New Jersey.
3. Kahn and Furth, "Laying Foundations."
4. Fecteau's legislative package also includes housing bills outside the scope of this brief, such as those funding affordable housing.
5. For further recommendations on best practices in allowing residential uses in commercial zones, see Salim Furth and Eli Kahn, "Office Overhauls and God's Backyard: Reforms for Housing in Commercial Zones and Faith Land" (Mercatus Policy Brief, Mercatus Center at George Mason University, 2024).
6. Salim Furth and C. Whit Ewen, "Mostly Invisible: The Cost of Valid Petitions in Texas" (Mercatus Policy Brief, Mercatus Center at George Mason University, 2023).
7. For further reading, see Sean Jursnick and Peter LiFari, "The Single-Stair Solution: A Path to More Affordable, Diverse, and Sustainable Housing" (Mercatus Center Policy Brief, Mercatus Center at George Mason University, 2025).
8. Eli Kahn and Salim Furth, "Breaking Ground: An Examination of Effective State Housing Reforms in 2023" (Mercatus Center Policy Brief, Mercatus Center at George Mason University, 2025).
9. Kahn and Furth, "Laying Foundations." Anti-investor bills are not included in tracking totals.
10. Nicholas J. Marantz et al., "Evaluating California's Accessory Dwelling Unit Reforms: Preliminary Evidence and Lessons for State Governments" (New York: NYU Furman Center, 2023).
11. The City of Fernandina Beach, for example, reduced its downtown density by one-half, and Bal Harbour imposed a moratorium on new development.
12. Furth and Kahn, "Office Overhauls and God's Backyard."

13. Sean Jursnick, “The Seattle Special: A US City’s Unique Approach to Small Infill Lots” (Mercatus Center Policy Brief, Mercatus Center at George Mason University, 2024).
14. M. Nolan Gray, “The Prophet of Parking,” *Works in Progress Newsletter*, February 12, 2025, <https://www.worksinprogress.news/p/the-prophet-of-parking>.
15. Salim Furth and Charles Gardner, “New NC Law Protects Property Rights by Limiting Local ‘Down-zoning,’” *Carolina Journal*, January 8, 2025.
16. Alexandria Sands, “North Carolina Bill to Eliminate Parking Minimums Statewide Passes House Unanimously,” *Axios Charlotte*, July 1, 2025.
17. Alexei Koseff, “A ‘Poison Pill’ in California’s Budget Deal Ties State Spending to Construction,” *CalMatters*, June 27, 2025.
18. Jennifer Hernandez et al., *In the Name of the Environment: How Litigation Abuse Under the California Environmental Quality Act Undermines California’s Environmental, Social Equity and Economic Priorities—and Proposed Reforms to Protect the Environment from CEQA Litigation Abuse* (Holland & Knight, 2015).