

HOUSE BILL 437

R1, M3
HB 84/25 – APP & ENT

6lr1424
CF SB 59

By: **Delegates Edelson, Solomon, and Watson**

Introduced and read first time: January 22, 2026

Assigned to: Appropriations and Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 27, 2026

CHAPTER _____

1 AN ACT concerning

2 **Transportation – Major Highway Capacity Expansion Projects and Impact**
3 **Assessments**
4 **(Transportation and Climate Alignment Act of 2026)**

5 FOR the purpose of requiring the Department of Transportation, as part of the planning
6 and implementation of certain major highway expansion projects, to perform an
7 impact assessment of the project and develop and implement a corresponding
8 multimodal transportation program; requiring the Department, beginning with a
9 certain Consolidated Transportation Program, to evaluate certain major capital
10 projects for their impact on greenhouse gas emissions and vehicle miles traveled;
11 requiring, under certain circumstances, the Department to fund offsetting activities
12 to reduce certain project or program impacts on greenhouse gas emissions; requiring
13 the Secretary of Transportation to establish certain processes and post certain
14 information on the Department’s website; requiring the Department and the State
15 Highway Administration to issue a certain report before proceeding to the final
16 project planning phase for certain projects; and generally relating to the planning
17 and development of certain transportation projects.

18 BY adding to
19 Article – Transportation
20 Section 2–901 through 2–905 to be under the new subtitle “Subtitle 9. Major
21 Highway Capacity Expansion Projects”
22 Annotated Code of Maryland
23 (2020 Replacement Volume and 2025 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,
2 Article – Transportation
3 Section 8–102
4 Annotated Code of Maryland
5 (2020 Replacement Volume and 2025 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
7 That the Laws of Maryland read as follows:

8 **Article – Transportation**

9 **SUBTITLE 9. MAJOR HIGHWAY CAPACITY EXPANSION PROJECTS.**

10 **2–901.**

11 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
12 INDICATED.

13 (B) “CARBON DIOXIDE EQUIVALENT” MEANS THE MEASUREMENT OF A
14 GIVEN WEIGHT OF A GREENHOUSE GAS THAT HAS THE SAME GLOBAL WARMING
15 POTENTIAL, MEASURED OVER A SPECIFIED PERIOD OF TIME, AS 1 METRIC TON OF
16 CARBON DIOXIDE.

17 (C) “GREENHOUSE GAS” INCLUDES CARBON DIOXIDE, METHANE, NITROUS
18 OXIDE, HYDROFLUOROCARBONS, PERFLUOROCARBONS, AND SULFUR
19 HEXAFLUORIDE.

20 (D) “GREENHOUSE GAS EMISSIONS” MEANS EMISSIONS OF GREENHOUSE
21 GASES IN THE STATE, MEASURED IN METRIC TONS OF CARBON DIOXIDE
22 EQUIVALENTS.

23 (E) “IMPACT ASSESSMENT” MEANS AN ASSESSMENT OF A PROJECT’S OR
24 PROGRAM’S OPERATIONAL IMPACT ON GREENHOUSE GAS EMISSIONS AND VEHICLE
25 MILES TRAVELED.

26 (F) “INDUCED DEMAND” MEANS AN INCREASE IN THE DEMAND FOR MOTOR
27 VEHICLE TRAVEL THAT IS DEMONSTRATED BY AN INCREASE IN VEHICLE MILES
28 TRAVELED DUE TO AN INCREASE IN ROADWAY SUPPLY, SUCH AS NEW OR EXPANDED
29 ROADS, ADDITIONAL CAPACITY, OR ADDITIONAL LANE MILES.

30 (G) “MAJOR CAPITAL PROJECT” HAS THE MEANING STATED IN § 2–103.1 OF
31 THIS TITLE.

32 (H) “MAJOR HIGHWAY CAPACITY EXPANSION PROJECT” MEANS A MAJOR
33 CAPITAL PROJECT THAT:

1 (1) THROUGH ALL PHASES INCREASES HIGHWAY CAPACITY
2 THROUGH NEW HIGHWAY LANES, GRADE SEPARATIONS INCLUDING INTERCHANGES,
3 OR EXTENDED HIGHWAY LANES; AND

4 (2) HAS A TOTAL COST THAT EXCEEDS \$100,000,000.

5 (I) "OVERBURDENED COMMUNITY" HAS THE MEANING STATED IN § 1-701
6 OF THE ENVIRONMENT ARTICLE.

7 (J) "SYSTEM PRESERVATION ACTIVITY" MEANS AN ACTIVITY FOCUSED ON
8 MAINTAINING AND REHABILITATING EXISTING TRANSPORTATION
9 INFRASTRUCTURE TO ENSURE THE INFRASTRUCTURE REMAINS SAFE, RELIABLE,
10 AND FUNCTIONAL.

11 (K) "UNDERSERVED COMMUNITY" HAS THE MEANING STATED IN §
12 1-701 OF THE ENVIRONMENT ARTICLE.

13 (L) "VEHICLE MILES TRAVELED PER CAPITA" MEANS THE TOTAL NUMBER
14 OF ON-ROAD MILES TRAVELED BY VEHICLES IN A GEOGRAPHIC REGION OVER A
15 1-YEAR PERIOD DIVIDED BY THE POPULATION IN THAT REGION.

16 2-902.

17 THIS SUBTITLE DOES NOT APPLY TO A MAJOR HIGHWAY CAPACITY EXPANSION
18 PROJECT THAT ~~IS~~ IS:

19 (1) ON OR BEFORE JUNE 30, 2026:

20 ~~(1)~~ (I) WAS A PART OF THE STATEWIDE TRANSPORTATION
21 IMPROVEMENT PROGRAM THAT RECEIVED FUNDING FOR CONSTRUCTION;

22 ~~(2)~~ (II) WAS FUNDED FOR CONSTRUCTION IN THE CONSOLIDATED
23 TRANSPORTATION PROGRAM; OR

24 ~~(3)~~ (III) COMPLETED THE ENVIRONMENTAL REVIEW PROCESS
25 UNDER THE NATIONAL ENVIRONMENTAL POLICY ACT; OR

26 (2) INCLUDES THE CONSTRUCTION OR RECONSTRUCTION OF THE
27 WILLIAM PRESTON LANE, JR. MEMORIAL CHESAPEAKE BAY BRIDGE AND
28 PARALLEL CHESAPEAKE BAY BRIDGE INCLUDING ANY RELATED CONSTRUCTION
29 OR RECONSTRUCTION OF U.S. ROUTE 50 BETWEEN INTERSTATE 97 AND MARYLAND
30 ROUTE 404.

1 **2-903.**

2 (A) AS PART OF THE PLANNING AND IMPLEMENTATION OF A MAJOR
3 HIGHWAY CAPACITY EXPANSION PROJECT, THE DEPARTMENT SHALL PERFORM AN
4 IMPACT ASSESSMENT OF THE PROJECT AND DEVELOP AND IMPLEMENT A
5 CORRESPONDING MULTIMODAL TRANSPORTATION PROGRAM.

6 (B) (1) DURING PROJECT DEVELOPMENT, THE MULTIMODAL
7 TRANSPORTATION PROGRAM REQUIRED UNDER SUBSECTION (A) OF THIS SECTION
8 SHALL IDENTIFY INVESTMENTS IN TRANSIT, TRANSIT-ORIENTED DEVELOPMENT,
9 TRANSPORTATION DEMAND MANAGEMENT, PEDESTRIAN AND BICYCLE FACILITIES,
10 LAND USE CHANGES, AND OTHER ACTIVITIES SPECIFIED IN § 2-904(C) OF THIS
11 SUBTITLE TO OFFSET THE INCREASE IN GREENHOUSE GAS EMISSIONS ASSOCIATED
12 WITH THE PROJECT.

13 (2) THE MULTIMODAL TRANSPORTATION PROGRAM SHALL FOCUS ON
14 AREAS IN THE FOLLOWING ORDER OF PRIORITY:

15 (I) OVERBURDENED COMMUNITIES AND UNDERSERVED
16 COMMUNITIES IMPACTED BY THE MAJOR HIGHWAY CAPACITY EXPANSION PROJECT;

17 (II) AREAS WITHIN OR ASSOCIATED WITH AT LEAST ONE OF THE
18 COMMUNITIES IMPACTED BY THE PROJECT;

19 (III) OVERBURDENED COMMUNITIES AND UNDERSERVED
20 COMMUNITIES ACROSS THE STATE;

21 (IV) THE REGION IN WHICH THE MAJOR HIGHWAY CAPACITY
22 EXPANSION PROJECT IS LOCATED; AND

23 (V) THE STATE AT LARGE.

24 (C) (1) THE MULTIMODAL TRANSPORTATION PROGRAM SHALL OFFSET
25 THE GREENHOUSE GAS EMISSIONS ASSOCIATED WITH THE MAJOR HIGHWAY
26 CAPACITY EXPANSION PROJECT.

27 (2) THE NET GREENHOUSE GAS EMISSIONS FROM THE PROJECT AND
28 ITS ASSOCIATED MULTIMODAL TRANSPORTATION PROGRAM SHALL BE ZERO OR A
29 NEGATIVE NUMBER.

30 (D) THE DEPARTMENT SHALL CONSIDER BOTH THE MAJOR HIGHWAY
31 CAPACITY EXPANSION PROJECT AND THE MULTIMODAL TRANSPORTATION
32 PROGRAM AS PART OF ITS EVALUATION OF THE PROJECT UNDER § 2-103.7 OF THIS
33 TITLE.

1 **(E) THE DEPARTMENT SHALL:**

2 **(1) FUND ELEMENTS OF THE MULTIMODAL TRANSPORTATION**
3 **PROGRAM CONCURRENTLY WITH FUNDING FOR THE CONSTRUCTION OF THE MAJOR**
4 **HIGHWAY CAPACITY EXPANSION PROJECT; OR**

5 **(2) DEFER THE MAJOR HIGHWAY EXPANSION CAPACITY PROJECT**
6 **UNTIL THE PROJECT MEETS THE OFFSETTING REQUIREMENTS FOR A MULTIMODAL**
7 **TRANSPORTATION PROGRAM UNDER THIS SUBTITLE.**

8 **2-904.**

9 **(A) (1) BEGINNING WITH THE CONSOLIDATED TRANSPORTATION**
10 **PROGRAM FOR FISCAL YEAR 2028 THROUGH FISCAL YEAR 2033 AND IN EACH**
11 **ANNUAL RELEASE THEREAFTER, THE DEPARTMENT SHALL EVALUATE MAJOR**
12 **CAPITAL PROJECTS INCLUDED IN THE CONSOLIDATED TRANSPORTATION**
13 **PROGRAM FOR THEIR IMPACT ON:**

14 **(I) GREENHOUSE GAS EMISSIONS; AND**

15 **(II) VEHICLE MILES TRAVELED PER CAPITA.**

16 **(2) THE EVALUATION REQUIRED UNDER PARAGRAPH (1) OF THIS**
17 **SUBSECTION SHALL BE PUBLISHED FOR THE DRAFT CONSOLIDATED**
18 **TRANSPORTATION PROGRAM BY OCTOBER 1 EACH YEAR, AND WITH THE FINAL**
19 **CONSOLIDATED TRANSPORTATION PROGRAM EACH YEAR.**

20 **(B) (1) BEGINNING WITH THE CONSOLIDATED TRANSPORTATION**
21 **PROGRAM FOR FISCAL YEAR 2028 THROUGH FISCAL YEAR 2033 AND IN EACH**
22 **ANNUAL RELEASE THEREAFTER, THE DEPARTMENT SHALL ACHIEVE, TO THE**
23 **MAXIMUM EXTENT PRACTICABLE AND SUBJECT TO STATE APPROPRIATIONS, A**
24 **PROGRAM WHOSE IMPACT ON GREENHOUSE GAS EMISSIONS AND PROGRESS**
25 **TOWARD ACHIEVING GREENHOUSE GAS REDUCTION TARGETS ARE, OVER THE**
26 **CONSOLIDATED TRANSPORTATION PROGRAM PERIOD, CONSISTENT WITH THE**
27 **PROJECTED GREENHOUSE GAS EMISSION REDUCTIONS MODELED FOR ROADS IN**
28 **MARYLAND'S CLIMATE POLLUTION REDUCTION PLAN: MODELING APPENDIX.**

29 **(2) THE DEPARTMENT SHALL FUND OFFSETTING ACTIVITIES TO**
30 **MAKE THE CONSOLIDATED TRANSPORTATION PROGRAM MORE CONSISTENT WITH**
31 **THE GREENHOUSE GAS EMISSION REDUCTION GOALS UNDER THE DEPARTMENT'S**
32 **2023 CLIMATE POLLUTION REDUCTION PLAN AND THE TARGETS ESTABLISHED IN**
33 **SUBSECTION (D) OF THIS SECTION.**

1 **(C) THE OFFSETTING ACTIVITIES REQUIRED UNDER SUBSECTIONS (A) AND**
2 **(B) OF THIS SECTION ARE ACTIVITIES THAT:**

3 **(1) DEMONSTRABLY CREATE CONSISTENT, LONG-TERM REDUCTIONS**
4 **IN GREENHOUSE GAS EMISSIONS OR VEHICLE MILES TRAVELED;**

5 **(2) PRIORITIZE OVERBURDENED AND UNDERSERVED COMMUNITIES;**

6 **(3) ARE ELIGIBLE FOR FUNDING UNDER SUBSECTION (A) OR (B) OF**
7 **THIS SECTION; AND**

8 **(4) INCLUDE:**

9 **(I) PARKING REDUCTION INITIATIVES;**

10 **(II) ACTIVE TRANSPORTATION;**

11 **(III) TRANSIT-ORIENTED DEVELOPMENT AND**
12 **TRANSPORTATION DEMAND MANAGEMENT STRATEGIES;**

13 **(IV) LOW-TRAVEL-DEMAND COMMERCIAL AND RESIDENTIAL**
14 **DEVELOPMENT AND OTHER LAND USE CHANGES;**

15 **(V) ROADWAY PRICING;**

16 **(VI) TELECOMMUTING;**

17 **(VII) PUBLIC TRANSIT SERVICE IMPROVEMENTS AND**
18 **EXPANSION;**

19 **(VIII) MICRO-MOBILITY, INCLUDING THROUGH THE USE OF**
20 **ADAPTIVE AND INCLUSIVE LOW SPEED VEHICLES FOR PEOPLE WITH DISABILITIES;**

21 **(IX) ACCESSIBLE TRANSPORTATION AND PEDESTRIAN**
22 **IMPROVEMENTS FOR PEOPLE WITH DISABILITIES;**

23 **(X) SOLAR ENERGY GENERATION ON PROPERTY CONTROLLED**
24 **BY THE DEPARTMENT; AND**

25 **(XI) OTHER ACTIVITIES IDENTIFIED BY THE DEPARTMENT TO**
26 **REDUCE VEHICLE MILES TRAVELED.**

27 **(D) TO ACHIEVE THE REQUIREMENTS UNDER THIS SECTION, THE**
28 **DEPARTMENT SHALL SET:**

1 **(1) ANNUAL STATEWIDE DECLINING GREENHOUSE GAS EMISSION**
2 **REDUCTION TARGETS THAT INCORPORATE ASSUMPTIONS ABOUT THE USE OF**
3 **ELECTRIC VEHICLES IN THE STATE; AND**

4 **(2) ANNUAL REGIONAL DECLINING GREENHOUSE GAS EMISSION**
5 **REDUCTION TARGETS THAT:**

6 **(I) ARE SET AT AN AMOUNT THAT WHEN MET AND TAKEN**
7 **COLLECTIVELY FOR ALL REGIONS WOULD ACHIEVE THE REQUIREMENTS SPECIFIED**
8 **IN § 2-903(C)(2) OF THIS SUBTITLE AND THE STATEWIDE TARGETS SET UNDER ITEM**
9 **(1) OF THIS ITEM; AND**

10 **(II) INCORPORATE ASSUMPTIONS ABOUT THE USE OF ELECTRIC**
11 **VEHICLES IN THE STATE.**

12 **(E) IN EVALUATING THE CONSOLIDATED TRANSPORTATION PROGRAM'S**
13 **IMPACT ON GREENHOUSE GAS EMISSIONS AND VEHICLE MILES TRAVELED, THE**
14 **DEPARTMENT SHALL:**

15 **(1) ESTABLISH THE BASELINE TOTAL GREENHOUSE GAS EMISSIONS**
16 **ATTRIBUTABLE TO SURFACE TRANSPORTATION IN THE STATE FOR THE**
17 **CONSOLIDATED TRANSPORTATION PROGRAM PERIOD;**

18 **(2) CONSIDER THE DIRECT AND INDUCED DEMAND IMPACTS OF**
19 **MAJOR CAPITAL PROJECTS ON VEHICLE MILES TRAVELED PER CAPITA AND**
20 **GREENHOUSE GAS EMISSIONS;**

21 **(3) CONSIDER THE DIRECT CLIMATE BENEFITS OF INVESTMENTS IN:**

22 **(I) TRANSIT OPERATIONS, INCLUDING LOCALLY OPERATED**
23 **TRANSIT SYSTEMS;**

24 **(II) TRANSIT-ORIENTED DEVELOPMENT AND**
25 **TRANSPORTATION DEMAND MANAGEMENT, INCLUDING LAND DEVELOPMENT**
26 **DESIGNED TO REDUCE TRAVEL DEMAND;**

27 **(III) PEDESTRIAN AND BICYCLE INFRASTRUCTURE;**

28 **(IV) ELECTRIFICATION OF STATE VEHICLES;**

29 **(V) VEHICLE CHARGING INFRASTRUCTURE; AND**

30 **(VI) SOLAR ENERGY GENERATION ON PROPERTY CONTROLLED**
31 **BY THE DEPARTMENT; AND**

1 **(4) COMPARE THE PROJECTED GREENHOUSE GAS EMISSIONS TO THE**
2 **TARGET EMISSIONS ESTABLISHED IN SUBSECTION (D) OF THIS SECTION TO**
3 **DETERMINE WHETHER THE CONSOLIDATED TRANSPORTATION PROGRAM**
4 **ACHIEVES THE EMISSIONS TARGETS.**

5 **(F) IN EVALUATING WHETHER THE CONSOLIDATED TRANSPORTATION**
6 **PROGRAM MEETS GREENHOUSE GAS EMISSION GOALS, THE DEPARTMENT MAY NOT**
7 **CONSIDER STATE OF GOOD REPAIR ACTIVITIES AND ACTIVITIES THAT ARE SOLELY**
8 **SYSTEM PRESERVATION ACTIVITIES.**

9 **2-905.**

10 **(A) THE SECRETARY SHALL:**

11 **(1) ESTABLISH A PROCESS TO PERFORM CAPACITY EXPANSION**
12 **IMPACT ASSESSMENTS;**

13 **(2) ESTABLISH A PROCESS FOR CONSIDERING PROGRESS MADE**
14 **TOWARD MEETING THE TARGETS SPECIFIED IN § 2-904(D) OF THIS SUBTITLE;**

15 **(3) ESTABLISH A PROCESS FOR DEVELOPING A MULTIMODAL**
16 **TRANSPORTATION PROGRAM UNDER § 2-903 OF THIS SUBTITLE, INCLUDING A**
17 **METHOD FOR CONSIDERING THE DIRECT AND INDUCED DEMAND IMPACTS OF A**
18 **MAJOR HIGHWAY CAPACITY EXPANSION PROJECT; AND**

19 **(4) PUBLISH ON THE DEPARTMENT'S WEBSITE:**

20 **(i) THE PROCESSES ESTABLISHED UNDER ITEMS (2) AND (3) OF**
21 **THIS SUBSECTION; AND**

22 **(ii) ANY MULTIMODAL TRANSPORTATION PROGRAM**
23 **DEVELOPED UNDER § 2-903 OF THIS SUBTITLE.**

24 **(B) IN FISCAL YEAR 2028, THE DEPARTMENT SHALL ALLOCATE FUNDING**
25 **FOR THE IMPLEMENTATION AND DEVELOPMENT OF STATEWIDE AND REGIONAL**
26 **TRAVEL DEMAND MODELING RELATED TO THE REQUIREMENTS OF THIS SECTION,**
27 **INCLUDING INDUCED DEMAND AND LAND USE EFFECTS FROM TRANSPORTATION**
28 **INVESTMENTS.**

29 **8-102.**

30 **(a) It is the policy of this title to promote an efficient and economical**
31 **transportation system.**

1 (b) The Department [of Transportation] and the [State Highway] Administration
2 may not proceed to the final project planning phase unless it has been determined that the
3 objective of the proposed project cannot be reasonably achieved through:

4 (1) Improvements in highway maintenance and safety;

5 (2) Projects that modify existing highways but provide for minimal
6 relocation or new highway construction; and

7 (3) Improvements in, or adoption of, transit alternatives, including mass
8 transit alternatives.

9 (c) **THE DEPARTMENT AND THE ADMINISTRATION SHALL ISSUE A REPORT**
10 **PRIOR TO PROCEEDING TO THE FINAL PROJECT PLANNING PHASE THAT**
11 **DOCUMENTS:**

12 (1) **THE EVALUATION OF THE ALTERNATIVES IDENTIFIED IN**
13 **SUBSECTION (B) OF THIS SECTION; OR**

14 (2) **A DETERMINATION THROUGH OTHER REQUIRED PLANNING**
15 **DOCUMENTS.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2026.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.