

HOUSE BILL 894

R2, Q8

6lr0334
CF SB 389

By: **The Speaker (By Request – Administration) and Delegates Acevero, Allen, Amprey, Behler, Bhandari, Boafu, Boyce, Coley, Ebersole, Edelson, Fennell, Foley, Guyton, Harrison, Hill, Holmes, Hornberger, Ivey, D. Jones, Kaufman, Kerr, Lewis, Mireku–North, Moon, Moreno, Odom, Palakovich Carr, Pasteur, Patterson, Phillips, Pruski, Qi, Roberts, Rogers, Ruff, Simmons, Simpson, Solomon, Stewart, Taveras, Taylor, Turner, Vogel, White Holland, Wims, Woods, and Ziegler**

Introduced and read first time: February 4, 2026

Assigned to: Economic Matters and Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 8, 2026

CHAPTER _____

1 AN ACT concerning

2 **Land Use – Transit–Oriented Development – Alterations**
3 **(Maryland Transit and Housing Opportunity Act)**

4 FOR the purpose of providing for the automatic designation of certain transit–oriented
5 developments as enterprise zones, subject to certain conditions; requiring the
6 Maryland Economic Development Corporation to prioritize certain redevelopment
7 projects when making loans under the Strategic Infrastructure Revolving Loan
8 Program; altering the authority of local legislative bodies to regulate land use
9 planning on land located near certain transit stations; delaying the collection of
10 certain development excise taxes and development impact fees for certain residential
11 real estate projects, subject to a certain exception; adding the use of project labor
12 agreements as a scoring preference for projects financed by the Transit–Oriented
13 Development Capital Grant and Revolving Loan Fund; ~~applying certain provisions~~
14 ~~of this Act retroactively~~; and generally relating to transit–oriented development.

15 BY renumbering

16 Article – Economic Development

17 Section 5–709

18 to be Section 5–710

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 Annotated Code of Maryland
2 (2024 Replacement Volume and 2025 Supplement)
- 3 BY repealing and reenacting, without amendments,
4 Article – Economic Development
5 Section 5–701(a) and 10–134(b)
6 Annotated Code of Maryland
7 (2024 Replacement Volume and 2025 Supplement)
- 8 BY repealing and reenacting, with amendments,
9 Article – Economic Development
10 Section 5–701(d), 5–707(e)(1), and 10–134(d)
11 Annotated Code of Maryland
12 (2024 Replacement Volume and 2025 Supplement)
- 13 BY adding to
14 Article – Economic Development
15 Section 5–709
16 Annotated Code of Maryland
17 (2024 Replacement Volume and 2025 Supplement)
- 18 BY repealing and reenacting, without amendments,
19 Article – Land Use
20 Section 1–101(a) and (g) and 7–501(a) and (i)
21 Annotated Code of Maryland
22 (2012 Volume and 2025 Supplement)
- 23 BY repealing and reenacting, with amendments,
24 Article – Land Use
25 Section 1–401(b), 4–104, and 10–103(b)
26 Annotated Code of Maryland
27 (2012 Volume and 2025 Supplement)
- 28 BY adding to
29 Article – Local Government
30 Section 20–128
31 Annotated Code of Maryland
32 (2013 Volume and 2025 Supplement)
- 33 BY repealing and reenacting, with amendments,
34 Article – Transportation
35 Section 7–1204(b)(2)
36 Annotated Code of Maryland
37 (2020 Replacement Volume and 2025 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
2 That Section(s) 5–709 of Article – Economic Development of the Annotated Code of
3 Maryland be renumbered to be Section(s) 5–710.

4 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
5 as follows:

6 **Article – Economic Development**

7 5–701.

8 (a) In this subtitle the following words have the meanings indicated.

9 (d) “Enterprise zone” means an area:

10 (1) that meets the requirements of § 5–704(a) of this subtitle and is
11 designated as an enterprise zone by the Secretary under § 5–704(b) of this subtitle;

12 **(2) (I) DESIGNATED AS A TRANSIT-ORIENTED DEVELOPMENT**
13 **UNDER § 7-101 OF THE TRANSPORTATION ARTICLE; AND**

14 **(II) THAT IS SERVED BY A RAIL TRANSIT STATION THAT**
15 **RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M.**
16 **MONDAY THROUGH FRIDAY;**

17 **[(2)] (3)** designated as an enterprise zone by the United States
18 government under 42 U.S.C. §§ 11501 through 11505; or

19 **[(3)] (4)** designated as an empowerment zone or enterprise community by
20 the United States government under 26 U.S.C. §§ 1391 through 1397F.

21 5–707.

22 (e) (1) (i) Notwithstanding subsection (d) of this section, except for a
23 business entity certified to receive a property tax credit under § 9–103 of the Tax – Property
24 Article for a tax year beginning before July 1, 2008, a business entity located in an
25 enterprise zone may not receive the incentives and initiatives set forth in subsection (a)(1)
26 and (2) of this section if the entity is located on land or within improvements owned by the
27 federal government, the State, a county, or a municipal corporation unless the business
28 entity has first utilized all applicable property tax exemptions under Title 7 of the
29 Tax – Property Article, including entering into any available payment in lieu of tax
30 agreement.

31 (ii) Subparagraph (i) of this paragraph does not apply to a business
32 entity leasing land or improvements owned by the Maryland Economic Development
33 Corporation OR THE MARYLAND DEPARTMENT OF TRANSPORTATION.

1 5-709.

2 (A) (1) ~~AN~~ SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN AREA
3 DESIGNATED AS A TRANSIT-ORIENTED DEVELOPMENT UNDER § 7-101 OF THE
4 TRANSPORTATION ARTICLE BEFORE OCTOBER 1, 2026, THAT IS SERVED BY A RAIL
5 TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM
6 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY ~~SHALL~~ IS ELIGIBLE TO
7 AUTOMATICALLY BE DESIGNATED AS AN ENTERPRISE ZONE UNDER THE PROVISIONS
8 OF THIS SUBTITLE NOTWITHSTANDING THE LIMIT ON THE NUMBER OF ENTERPRISE
9 ZONES THAT THE SECRETARY MAY DESIGNATE UNDER § 5-704(B) OF THIS
10 SUBTITLE.

11 (2) THE LOCAL GOVERNMENT OR MULTICOUNTY AGENCY WITH LAND
12 USE AND PLANNING RESPONSIBILITY FOR THE AREA THAT REQUESTED THE AREA
13 BE DESIGNATED AS A TRANSIT-ORIENTED DEVELOPMENT MAY ELECT, BY
14 ORDINANCE, RESOLUTION, OR SIMILAR ACTION, TO DESIGNATE THE AREA AS AN
15 ENTERPRISE ZONE.

16 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN AREA
17 DESIGNATED AS A TRANSIT-ORIENTED DEVELOPMENT UNDER § 7-101 OF THE
18 TRANSPORTATION ARTICLE ON OR AFTER OCTOBER 1, 2026, THAT IS SERVED BY A
19 RAIL TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE
20 FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY SHALL
21 AUTOMATICALLY BE DESIGNATED AS AN ENTERPRISE ZONE NOTWITHSTANDING THE
22 LIMIT ON THE NUMBER OF ENTERPRISE ZONES THAT THE SECRETARY MAY
23 DESIGNATE UNDER § 5-704(B) OF THIS SUBTITLE.

24 (2) (I) AT THE TIME A TRANSIT-ORIENTED DEVELOPMENT AREA IS
25 DESIGNATED, THE LOCAL GOVERNMENT OR MULTICOUNTY AGENCY WITH LAND USE
26 AND PLANNING RESPONSIBILITY FOR THE AREA THAT REQUESTED THE AREA BE
27 DESIGNATED AS A TRANSIT-ORIENTED DEVELOPMENT MAY ELECT NOT TO
28 DESIGNATE THE AREA AS AN ENTERPRISE ZONE.

29 (II) AN ELECTION MADE UNDER SUBPARAGRAPH (I) OF THIS
30 PARAGRAPH SHALL BE DONE, IN WRITING, TO THE SUSTAINABLE GROWTH
31 SUBCABINET ESTABLISHED UNDER § 9-1403 OF THE STATE GOVERNMENT
32 ARTICLE.

33 10-134.

34 (b) (1) There is a Strategic Infrastructure Revolving Loan Program in the
35 Maryland Economic Development Corporation.

1 (2) The purpose of the Program is to make loans for targeted investments
2 in real estate and infrastructure projects to support transformative place-making, enhance
3 transit-oriented development, enhance community development, and achieve inclusive and
4 equitable economic growth objectives, with a focus on bringing underutilized assets into
5 performance and generating revenue.

6 (d) (1) An applicant for a loan under this section shall submit to the
7 Corporation an application on the form that the Corporation requires.

8 (2) The application shall include:

9 (i) a detailed strategic plan for the targeted investment;

10 (ii) the amount of money required for the activities described in the
11 strategic plan;

12 (iii) the money available to the applicant without financial assistance
13 from the Program;

14 (iv) the amount of financial assistance requested from the Program;

15 (v) information relating to the financial status of the applicant,
16 including, if applicable:

17 1. a current balance sheet;

18 2. a profit and loss statement; and

19 3. credit references; and

20 (vi) any other relevant information that the Corporation requests.

21 (3) An applicant is eligible for a loan under the Program for projects located
22 in a sustainable community, priority funding area, or transit-oriented development area.

23 (4) The Corporation shall establish an Advisory Loan Committee to review
24 loan applications and make recommendations to the Corporation on approval.

25 (5) In making loans, the Corporation shall prioritize projects that:

26 (i) activate underutilized property owned by the government and
27 institutions;

28 (ii) **REDEVELOP ~~STATE-OWNED~~ LAND CONTIGUOUS TO RAIL**
29 **TRANSIT STATIONS THAT IS OWNED BY THE STATE OR THE WASHINGTON**
30 **METROPOLITAN AREA TRANSIT AUTHORITY;**

- 1 (7) Title 1, Subtitle 3 (Consistency);
- 2 (8) Title 1, Subtitle 5 (Growth Tiers);
- 3 (9) § 4-104(c) (Limitations – [Bicycle parking] **PARKING**);
- 4 (10) § 4-104(d) (Limitations – Manufactured homes and modular dwellings);
- 5 **(11) § 4-104(E) (LIMITATIONS – MIXED-USE DEVELOPMENT);**
- 6 **(12) § 4-104(F) (LIMITATIONS – ~~STATE-OWNED LAND~~ LAND FOR**
- 7 **TRANSPORTATION USE);**
- 8 [(11)] **(13)** § 4-208 (Exceptions – Maryland Accessibility Code);
- 9 [(12)] **(14)** § 4-210 (Permits and variances – Solar panels);
- 10 [(13)] **(15)** § 4-211 (Change in zoning classification – Energy generating
- 11 systems);
- 12 [(14)] **(16)** § 4-212 (Agritourism);
- 13 [(15)] **(17)** § 4-213 (Alcohol production);
- 14 [(16)] **(18)** § 4-214 (Agricultural alcohol production);
- 15 [(17)] **(19)** § 4-215 (Pollinator-friendly vegetation management);
- 16 [(18)] **(20)** § 4-216 (Limitations – Family child care homes and large family
- 17 child care homes);
- 18 [(19)] **(21)** Title 4, Subtitle 5 (Accessory Dwelling Units);
- 19 [(20)] **(22)** § 5-102(d) (Subdivision regulations – Burial sites);
- 20 [(21)] **(23)** § 5-104 (Major subdivision – Review);
- 21 [(22)] **(24)** Title 7, Subtitle 1 (Development Mechanisms);
- 22 [(23)] **(25)** Title 7, Subtitle 2 (Transfer of Development Rights);
- 23 [(24)] **(26)** except in Montgomery County or Prince George’s County, Title
- 24 7, Subtitle 3 (Development Rights and Responsibilities Agreements);

1 ~~[(25)]~~ **(27)** Title 7, Subtitle 4 (Inclusionary Zoning);

2 ~~[(26)]~~ **(28)** Title 7, Subtitle 5 (Housing Expansion and Affordability);

3 ~~[(27)]~~ **(29)** § 8–401 (Conversion of overhead facilities);

4 ~~[(28)]~~ **(30)** for Baltimore County only, Title 9, Subtitle 3 (Single–County
5 Provisions – Baltimore County);

6 ~~[(29)]~~ **(31)** for Frederick County only, Title 9, Subtitle 10 (Single–County
7 Provisions – Frederick County);

8 ~~[(30)]~~ **(32)** for Howard County only, Title 9, Subtitle 13 (Single–County
9 Provisions – Howard County);

10 ~~[(31)]~~ **(33)** for Talbot County only, Title 9, Subtitle 18 (Single–County
11 Provisions – Talbot County); and

12 ~~[(32)]~~ **(34)** Title 11, Subtitle 2 (Civil Penalty).

13 4–104.

14 (a) **(1)** IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
15 INDICATED.

16 **(2)** “ADEQUATE PARKING STUDY” MEANS A DATA–SUPPORTED
17 ANALYSIS PREPARED FOR A DEVELOPMENT BY A LOCAL JURISDICTION TO
18 EVALUATE WHETHER ONE OR MORE PARKING REQUIREMENTS, PARKING RATIOS, OR
19 PARKING MANAGEMENT STANDARDS POTENTIALLY IMPOSED ON A DEVELOPMENT
20 ARE JUSTIFIED TO ADDRESS LOCAL PARKING ISSUES.

21 ~~(2)~~ **(3)** “MIXED–USE” HAS THE MEANING STATED IN § 7–501 OF
22 THIS ARTICLE.

23 ~~(3)~~ **(4)** [In this section, “modular] “**MODULAR** dwelling” means a
24 building assembly or system of building subassemblies designed for habitation as a
25 dwelling for one or more individuals:

26 **(1)** **(I)** that includes the necessary electrical, plumbing, heating,
27 ventilating, and other service systems;

28 **(2)** **(II)** that is made or assembled by a manufacturer on or off the
29 building site for installation, or assembly and installation, on the building site; and

1 [(3)] (III) installed and set up according to the manufacturer's instructions
2 on an approved foundation and support system.

3 (b) (1) The powers granted to a local jurisdiction under this subtitle do not:

4 [(1)] (I) grant the local jurisdiction powers in any substantive area not
5 otherwise granted to the local jurisdiction by any other public general or public local law;

6 [(2)] (II) restrict the local jurisdiction from exercising any power granted
7 to the local jurisdiction by any other public general or public local law or otherwise;

8 [(3)] (III) authorize the local jurisdiction or its officers to engage in any
9 activity that is beyond their power under any other public general or public local law or
10 otherwise; or

11 [(4)] (IV) preempt or supersede the regulatory authority of any unit of the
12 State under any public general law.

13 (2) **SUBSECTIONS (C)(2) AND (E) OF THIS SECTION DO NOT APPLY TO:**

14 (I) **A RAIL STATION LOCATED ON THE CAMPUS OF AN**
15 **INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN § 10-101 OF THE EDUCATION**
16 **ARTICLE; OR**

17 (II) **PROPERTY THAT:**

18 1. **IS PARTIALLY LOCATED OUTSIDE:**

19 A. **FOR THE PROVISIONS IN SUBSECTION (C)(2) OF THIS**
20 **SECTION, 0.25 MILES OF THE RAIL TRANSIT STATION; OR**

21 B. **FOR THE PROVISIONS IN SUBSECTION (E) OF THIS**
22 **SECTION, 0.5 MILES OF THE RAIL TRANSIT STATION; OR**

23 2. **IS IN AN AREA THAT WAS ZONED FOR SINGLE-FAMILY**
24 **RESIDENTIAL USE ON JANUARY 1, 2026.**

25 (c) (1) (I) If a legislative body regulates off-street parking, the legislative
26 body shall require space for the parking of bicycles in a manner that the legislative body
27 considers appropriate.

28 [(2)] (II) A legislative body may allow a reduction in the number of
29 required automobile parking spaces based on the availability of space for parking bicycles.

1 **(2) ~~A~~ EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,**
2 **A LEGISLATIVE BODY OR OTHER LOCAL AGENCY WITH LAND USE AUTHORITY MAY**
3 **NOT IMPOSE A MINIMUM OFF-STREET PARKING REQUIREMENT ON A RESIDENTIAL**
4 **OR MIXED-USE DEVELOPMENT THAT IS LOCATED WITHIN 0.25 MILES OF A RAIL**
5 **TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM**
6 **8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY.**

7 **(3) A LEGISLATIVE BODY OR OTHER LOCAL AGENCY WITH LAND USE**
8 **AUTHORITY MAY IMPOSE A MINIMUM OFF-STREET PARKING REQUIREMENT ON A**
9 **RESIDENTIAL OR MIXED-USE DEVELOPMENT THAT IS LOCATED WITHIN 0.25 MILES**
10 **OF A RAIL TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON**
11 **AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY IF:**

12 **(I) THE LEGISLATIVE BODY OR OTHER LOCAL AGENCY HAS**
13 **PERFORMED AN ADEQUATE PARKING STUDY WITHIN THE 3 YEARS PRIOR TO THE**
14 **SUBMISSION OF A DEVELOPMENT APPLICATION; AND**

15 **(II) THE DEPARTMENT OF TRANSPORTATION CONCURRED IN**
16 **THE FINDINGS OF THE PARKING STUDY.**

17 (d) A legislative body may not prohibit the placement of a new manufactured
18 home or modular dwelling in a zone that allows single-family residential uses if the home
19 or dwelling:

20 (1) (i) meets the definition of modular dwelling under subsection (a) of
21 this section; or

22 (ii) meets the definition of a manufactured home in § 9-102(a) of the
23 Commercial Law Article and is, or will be after purchase, converted to real property in
24 accordance with Title 8B, Subtitle 2 of the Real Property Article; or

25 (2) is located on land:

26 (i) currently or previously owned by the federal government;

27 (ii) greater than 80 acres in size; and

28 (iii) that was the site of a former U.S. military reservation.

29 **(E) A LOCAL JURISDICTION'S ZONING REGULATIONS SHALL ALLOW**
30 **MIXED-USE DEVELOPMENT ON LAND DESIGNATED FOR RESIDENTIAL USE OR**
31 **APPROPRIATE COMMERCIAL USE FOR MIXED-USE DEVELOPMENT WITHIN 0.5 MILES**
32 **OF A RAIL TRANSIT STATION THAT RECEIVES AT LEAST HOURLY SERVICE ON**
33 **AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH FRIDAY.**

1 **(F) FOR ~~STATE-OWNED~~ LAND THAT IS OWNED BY THE STATE OR THE**
 2 **WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY THAT IS IN USE FOR A**
 3 **TRANSPORTATION PURPOSE CONTIGUOUS TO A RAIL TRANSIT STATION THAT**
 4 **RECEIVES AT LEAST HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M.**
 5 **MONDAY THROUGH FRIDAY, A LEGISLATIVE BODY OR OTHER LOCAL AGENCY WITH**
 6 **LAND USE AUTHORITY MAY NOT IMPOSE LIMITATIONS OR RESTRICTIONS ON LAND**
 7 **USE CLASSIFICATION, HEIGHT, OR SETBACK, OR ANY SIMILAR REQUIREMENTS IF**
 8 **THE LAND IS SUBJECT TO A TRANSIT-ORIENTED DEVELOPMENT PLAN APPROVED BY**
 9 **THE DEPARTMENT OF TRANSPORTATION AND DEVELOPED IN COORDINATION WITH**
 10 **THE LOCAL JURISDICTION.**

11 **(G) SUBSECTIONS (E) AND (F) OF THIS SECTION MAY NOT BE CONSTRUED TO**
 12 **ALTER THE LAND USE AUTHORITY OF A LOCAL JURISDICTION GOVERNING:**

13 **(1) ENVIRONMENTAL OR NATURAL RESOURCES CONCERNS;**

14 **(2) PUBLIC HEALTH AND SAFETY CONSIDERATIONS; OR**

15 **(3) ADEQUATE PUBLIC FACILITIES ORDINANCES.**

16 7-501.

17 (a) In this subtitle the following words have the meanings indicated.

18 (i) (1) “Mixed-use” means any combination of a residential use with a
 19 recreational, office, dining, or retail use.

20 (2) “Mixed-use” does not mean any combination of a residential use with
 21 an industrial or hazardous use.

22 10-103.

23 (b) The following provisions of this division apply to Baltimore City:

24 (1) this title;

25 (2) § 1-101(m) (Definitions – “Priority funding area”);

26 (3) § 1-101(o) (Definitions – “Sensitive area”);

27 (4) § 1-201 (Visions);

28 (5) § 1-206 (Required education);

29 (6) § 1-207 (Annual report – In general);

- 1 (7) § 1–208 (Annual report – Measures and indicators);
- 2 (8) Title 1, Subtitle 3 (Consistency);
- 3 (9) Title 1, Subtitle 4, Parts II and III (Home Rule Counties –
4 Comprehensive Plans; Implementation);
- 5 (10) § 4–104(c) (Limitations – [Bicycle parking] **PARKING**);
- 6 (11) § 4–104(d) (Limitations – Manufactured homes and modular dwellings);
- 7 **(12) § 4–104(E) (LIMITATIONS – MIXED–USE DEVELOPMENT);**
- 8 **(13) § 4–104(F) (LIMITATIONS – ~~STATE OWNED LAND~~ LAND FOR**
9 **TRANSPORTATION USE);**
- 10 [(12)] **(14)** § 4–205 (Administrative adjustments);
- 11 [(13)] **(15)** § 4–208 (Exceptions – Maryland Accessibility Code);
- 12 [(14)] **(16)** § 4–210 (Permits and variances – Solar panels);
- 13 [(15)] **(17)** § 4–211 (Change in zoning classification – Energy generating
14 systems);
- 15 [(16)] **(18)** § 4–215 (Pollinator–friendly vegetation management);
- 16 [(17)] **(19)** § 4–216 (Limitations – Family child care homes and large family
17 child care homes);
- 18 [(18)] **(20)** Title 4, Subtitle 5 (Accessory Dwelling Units);
- 19 [(19)] **(21)** § 5–102(d) (Subdivision regulations – Burial sites);
- 20 [(20)] **(22)** Title 7, Subtitle 1 (Development Mechanisms);
- 21 [(21)] **(23)** Title 7, Subtitle 2 (Transfer of Development Rights);
- 22 [(22)] **(24)** Title 7, Subtitle 3 (Development Rights and Responsibilities
23 Agreements);
- 24 [(23)] **(25)** Title 7, Subtitle 4 (Inclusionary Zoning);
- 25 [(24)] **(26)** Title 7, Subtitle 5 (Housing Expansion and Affordability); and

1 [(25)] (27) Title 11, Subtitle 2 (Civil Penalty).

2 ~~Article Local Government~~

3 ~~20-128.~~

4 (A) (1) ~~IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
5 ~~INDICATED.~~

6 (2) ~~“DEVELOPMENT EXCISE TAX” MEANS AN EXCISE TAX IMPOSED BY~~
7 ~~A COUNTY OR MUNICIPALITY ON THE CONSTRUCTION OR IMPROVEMENT OF A~~
8 ~~BUILDING.~~

9 (3) ~~“DEVELOPMENT IMPACT FEE” MEANS A FEE IMPOSED BY A~~
10 ~~COUNTY OR MUNICIPALITY FOR THE PURPOSE OF FINANCING ANY OF THE CAPITAL~~
11 ~~COSTS OF ADDITIONAL OR EXPANDED PUBLIC WORKS, IMPROVEMENTS, AND~~
12 ~~FACILITIES REQUIRED TO ACCOMMODATE NEW CONSTRUCTION OR DEVELOPMENT.~~

13 (4) ~~“QUALIFYING RESIDENTIAL REAL ESTATE PROJECT” MEANS A~~
14 ~~MIXED-USE DEVELOPMENT THAT:~~

15 (I) ~~INCLUDES RESIDENTIAL UNITS; AND~~

16 (H) ~~IS LOCATED WITHIN A TRANSIT-ORIENTED DEVELOPMENT~~
17 ~~DESIGNATED UNDER § 7-101 OF THE TRANSPORTATION ARTICLE, WHERE THE~~
18 ~~DEVELOPMENT IS SERVED BY A RAIL TRANSIT STATION THAT RECEIVES AT LEAST~~
19 ~~HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH~~
20 ~~FRIDAY.~~

21 (B) ~~THIS SECTION APPLIES ONLY TO:~~

22 (1) ~~A COUNTY THAT:~~

23 (I) ~~IS A CHARTER COUNTY THAT IMPOSES, BY LAW,~~
24 ~~DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES;~~

25 (H) ~~IS A CODE COUNTY WITH PUBLIC LOCAL LAWS THAT~~
26 ~~REQUIRE THE PAYMENT OF DEVELOPMENT IMPACT FEES, SURCHARGES, OR~~
27 ~~DEVELOPMENT EXCISE TAXES; OR~~

28 (HI) ~~IS A COMMISSION COUNTY THAT:~~

~~1. HAS BEEN AUTHORIZED TO ENACT DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES; AND~~

~~2. HAS ENACTED, BY LOCAL LAW, DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES; AND~~

~~(2) A MUNICIPALITY THAT IMPOSES, BY LOCAL LAW, DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES.~~

~~(C) THIS SECTION DOES NOT APPLY TO A DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE IMPOSED FOR THE PURPOSE OF FUNDING THE CONSTRUCTION OF A CONNECTION TO A PUBLIC WATER OR SEWER SYSTEM.~~

~~(D) ANY DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE IMPOSED ON A QUALIFYING RESIDENTIAL REAL ESTATE PROJECT UNDER THE AUTHORITY GRANTED IN THIS ARTICLE MAY NOT BE COLLECTED UNTIL AFTER:~~

~~(1) CONSTRUCTION OF THE QUALIFYING RESIDENTIAL REAL ESTATE PROJECT IS COMPLETE; AND~~

~~(2) A CERTIFICATE OF OCCUPANCY, AN OCCUPANCY PERMIT, OR ANY OTHER LOCAL EQUIVALENT HAS BEEN ISSUED FOR THE QUALIFYING RESIDENTIAL REAL ESTATE PROJECT.~~

~~(E) NOTWITHSTANDING ANY OTHER LAW, A COUNTY OR MUNICIPALITY THAT IMPOSES A DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE ON A QUALIFYING RESIDENTIAL REAL ESTATE PROJECT UNDER THE AUTHORITY GRANTED IN THIS ARTICLE MAY REVOKE A CERTIFICATE OF OCCUPANCY, AN OCCUPANCY PERMIT, OR ANY OTHER LOCAL EQUIVALENT IF THE DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE IS NOT PAID WITHIN A REASONABLE TIME PERIOD SET BY THE COUNTY OR MUNICIPALITY.~~

Article – Transportation

7–1204.

(b) (2) The Sustainable Growth Subcabinet established under § 9–1406 of the State Government Article may establish:

(i) Different eligibility requirements and objective scoring standards for different types of financial assistance; and

(ii) Scoring preferences for applications that demonstrate that the proposed project will:

- 1 1. Enhance access to transit for low-income and minority
- 2 residents of the local jurisdiction;
- 3 2. Enhance access to transit in areas with affordable housing
- 4 and a diversity of job and educational opportunities; [or]
- 5 3. Encourage development around underdeveloped and
- 6 underutilized transit stations in transit-oriented developments; OR
- 7 4. **USE PROJECT LABOR AGREEMENTS.**

8 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 9 as follows:

10 **Article – Local Government**

11 **20-128.**

12 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
 13 **INDICATED.**

14 **(2) “DEVELOPMENT EXCISE TAX” MEANS AN EXCISE TAX IMPOSED BY**
 15 **A COUNTY OR MUNICIPALITY ON THE CONSTRUCTION OR IMPROVEMENT OF A**
 16 **BUILDING.**

17 **(3) “DEVELOPMENT IMPACT FEE” MEANS A FEE IMPOSED BY A**
 18 **COUNTY OR MUNICIPALITY FOR THE PURPOSE OF FINANCING ANY OF THE CAPITAL**
 19 **COSTS OF ADDITIONAL OR EXPANDED PUBLIC WORKS, IMPROVEMENTS, AND**
 20 **FACILITIES REQUIRED TO ACCOMMODATE NEW CONSTRUCTION OR DEVELOPMENT.**

21 **(4) “RESIDENTIAL REAL ESTATE PROJECT” MEANS A MIXED-USE**
 22 **DEVELOPMENT THAT:**

23 **(I) INCLUDES RESIDENTIAL UNITS; AND**

24 **(II) IS LOCATED WITHIN A TRANSIT-ORIENTED DEVELOPMENT**
 25 **DESIGNATED UNDER § 7-101 OF THE TRANSPORTATION ARTICLE, WHERE THE**
 26 **DEVELOPMENT IS SERVED BY A RAIL TRANSIT STATION THAT RECEIVES AT LEAST**
 27 **HOURLY SERVICE ON AVERAGE FROM 8:00 A.M. UNTIL 6:00 P.M. MONDAY THROUGH**
 28 **FRIDAY.**

29 **(B) THIS SECTION APPLIES ONLY TO:**

30 **(1) A COUNTY THAT:**

1 (I) IS A CHARTER COUNTY THAT IMPOSES, BY LAW,
2 DEVELOPMENT IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES;

3 (II) IS A CODE COUNTY WITH PUBLIC LOCAL LAWS THAT
4 REQUIRE THE PAYMENT OF DEVELOPMENT IMPACT FEES, SURCHARGES, OR
5 DEVELOPMENT EXCISE TAXES; OR

6 (III) IS A COMMISSION COUNTY THAT:

7 1. HAS BEEN AUTHORIZED TO ENACT DEVELOPMENT
8 IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES; AND

9 2. HAS ENACTED, BY LOCAL LAW, DEVELOPMENT
10 IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES; AND

11 (2) A MUNICIPALITY THAT IMPOSES, BY LOCAL LAW, DEVELOPMENT
12 IMPACT FEES, SURCHARGES, OR DEVELOPMENT EXCISE TAXES.

13 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS
14 SUBSECTION, ANY DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE
15 IMPOSED ON A RESIDENTIAL REAL ESTATE PROJECT UNDER THE AUTHORITY
16 GRANTED IN THIS ARTICLE MAY NOT BE COLLECTED UNTIL AFTER:

17 (I) CONSTRUCTION OF THE RESIDENTIAL REAL ESTATE
18 PROJECT IS COMPLETE; AND

19 (II) ALL REQUIREMENTS FOR A CERTIFICATE OF OCCUPANCY,
20 AN OCCUPANCY PERMIT, OR ANY OTHER LOCAL EQUIVALENT THAT HAS BEEN
21 ISSUED FOR THE RESIDENTIAL REAL ESTATE PROJECT HAVE BEEN MET.

22 (2) A DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE
23 IMPOSED ON A RESIDENTIAL REAL ESTATE PROJECT UNDER THE AUTHORITY
24 GRANTED IN THIS ARTICLE MAY BE COLLECTED AS A PRECONDITION TO
25 CONDUCTING A FINAL INSPECTION, BUT NOT MORE THAN 30 DAYS BEFORE THE
26 DATE OF THE INSPECTION.

27 (3) THIS SUBSECTION DOES NOT APPLY TO THE COLLECTION OF A
28 DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE THAT WAS IMPOSED TO
29 FINANCE A COUNTY DEBT THAT WAS INCURRED ON OR BEFORE JANUARY 1, 2026.

30 (D) NOTWITHSTANDING ANY OTHER LAW, A COUNTY OR MUNICIPALITY
31 THAT IMPOSES A DEVELOPMENT EXCISE TAX OR DEVELOPMENT IMPACT FEE ON A
32 RESIDENTIAL REAL ESTATE PROJECT UNDER THE AUTHORITY GRANTED IN THIS

1 ARTICLE MAY DENY, WITHHOLD, OR REVOKE A CERTIFICATE OF OCCUPANCY, AN
2 OCCUPANCY PERMIT, OR ANY OTHER LOCAL EQUIVALENT IF THE DEVELOPMENT
3 EXCISE TAX OR DEVELOPMENT IMPACT FEE IS NOT PAID WITHIN A REASONABLE
4 TIME PERIOD SET BY THE COUNTY OR MUNICIPALITY.

5 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That § 4–104(e) of the Land Use
6 Article, as enacted by Section 2 of this Act, shall apply only to land use rezonings or actions
7 taken by a legislative body on or after the effective date of this Act.

8 SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take
9 effect October 1, 2026, contingent on the failure of Chapter _____ (S.B. 325/H.B. 548) of the
10 Acts of the General Assembly of 2026, and if Chapter _____ (S.B. 325/H.B. 548) becomes
11 effective, Section 3 of this Act, with no further action required by the General Assembly,
12 shall be null and void.

13 ~~SECTION 4. AND BE IT FURTHER ENACTED, That § 5–709 of the Economic~~
14 ~~Development Article, as enacted by Section 2 of this Act, shall apply retroactively to an~~
15 ~~area designated prior to the effective date of this Act as a transit-oriented development~~
16 ~~under § 7–101 of the Transportation Article and that is served by a rail transit station that~~
17 ~~receives at least hourly service on average from 8:00 a.m. until 6:00 p.m. Monday through~~
18 ~~Friday.~~

19 SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That, except as provided in
20 Section 5 of this Act, this Act shall take effect October 1, 2026.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.