



## House Bill 437

Date: March 24, 2026

Committee: Senate Budget & Taxation

**Position: Unfavorable**

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Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

House Bill 437 (HB 437) would require the Maryland Department of Transportation (MDOT) to perform an impact assessment of major highway expansion projects with a total cost exceeding \$100,000,000. MDOT would also have to develop and implement a multimodal transportation program.

HB 437 establishes a new, unfunded mandate by requiring MDOT to invest in corresponding multimodal projects without identifying any dedicated funding source to support these additional costs. Multimodal investments, such as transit expansions and pedestrian and bicycle infrastructure, can involve substantial capital expenditures and ongoing maintenance obligations, significantly increasing the overall cost of major highway projects. These requirements would be absorbed within MDOT's existing Transportation Trust Fund budget, reducing the number of transportation projects the state can afford to deliver and forcing difficult tradeoffs among safety improvements, congestion relief, and freight mobility. Ultimately, this approach risks delaying or eliminating needed infrastructure investments while failing to provide a sustainable funding path to meet the bill's new mandates.

The practical effect of this bill is not simply improved project evaluation, but a reduction in the number of transportation projects Maryland can afford to deliver. Maryland's Consolidated Transportation Program is already constrained by rising construction costs, growing maintenance needs and a trust fund that is relying on dwindling revenue sources. HB 437 imposes new programmatic requirements without accounting for these fiscal realities. Without dedicated funding, the bill shifts new policy mandates onto MDOT without the resources necessary to implement them responsibly. Additionally, existing processes established under the National Environmental Policy Act and the state's Consolidated Transportation Program already guide state and local decision-making, ensuring a balance between essential transportation projects and climate objectives.

Highway congestion imposes significant costs on businesses due to increased transportation time and delays in the delivery of goods and services. These delays can disrupt supply chains, leading to increased operational costs and decreased efficiency. It is also important to consider that employees spend more and more time commuting to and from work. Unreliable commute times lead to lower worker productivity, hinder attraction of talent, and make access to jobs difficult for those lacking transport options. Maryland ranks in the bottom third nationally for per capita transportation infrastructure investment. As Maryland continues to grapple with persistent transportation infrastructure challenges that impact commute times and business operations, HB 437 will further negatively impact our highway system. Instead, the Chamber advocates for a multi-pronged transportation system.

As commutes lengthen and infrastructure funding lags behind, Maryland businesses and residents are facing barriers to inclusive economic growth and reduced quality of life. Efficient, dependable transportation unlocks growth opportunities for Maryland businesses and workers. Maryland's transportation infrastructure serves the backbone of our economy, facilitating access to jobs, supplies and services for individuals, and enabling businesses to reach more customers while also benefiting from the efficient movement of goods, services and people. The Chamber believes that improved transportation networks boost economic opportunity, and we work to advance short- and long-term solutions to statewide transportation needs. Highway expansion projects create jobs, generate economic activity and transform Maryland into a leader in 21<sup>st</sup>-century transportation solutions.

For these reasons, the Chamber respectfully requests an **unfavorable report** on **HB 437**.