



**Maryland Joint
Legislative Committee**

The Voice of Merit Construction

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To: House Economic Matters Committee

Subject: HB 894- Maryland Transit and Housing Opportunity Act

Position: Favorable with Amendments

Dear Chair and Members of the House Economic Matters Committee,

On behalf of Associated Builders and Contractors (ABC), a national construction trade association representing merit shop contractors and subcontractors across Maryland, We respectfully support **HB 894- Maryland Transit and Housing Opportunity Act with one amendment.**

HB 894, which would promote transit-oriented development throughout Maryland by automatically designating qualifying areas as enterprise zones, prioritizing redevelopment of state-owned land near transit stations in the Strategic Infrastructure Revolving Loan Program, reforming local land use rules to allow more housing and mixed-use development near high-frequency rail transit, and easing the timing of certain development taxes and fees to support residential construction.

These provisions together help address the housing affordability crisis, leverage existing transit infrastructure, and expand opportunity for Marylanders to live closer to transit and jobs — all positive goals for equitable growth across our state.

However, we *respectfully urge* the Committee to **remove the Project Labor Agreement (PLA) scoring preference language** currently included in Section 10-134(d)(2)(iv).

The PLA preference would give a scoring advantage to projects that *use project labor agreements* when seeking competitive funding from the TOD Capital Grant and Revolving Loan Fund. While the use of PLAs can be appropriate in some contexts, embedding a preference for them in statute may have unintended consequences:

- **Restricts Competitive Opportunities:** Mandatory or preferential PLA language can limit competition by effectively disadvantaging qualified developers or contractors who do not enter into PLA arrangements.





- **Increases Project Costs:** Research and stakeholder feedback from similar initiatives indicate that PLAs can increase construction costs, which could reduce housing affordability and slow project delivery.
- **Limits Contractor Participation:** Without flexibility, smaller and non-union contractors — who make up a significant portion of Maryland’s construction workforce — may be discouraged from pursuing TOD funding opportunities.

Removing the PLA scoring preference would ensure that this bill remains focused on *expanding housing near transit and boosting development activity*, rather than shaping labor-contracting decisions through statutory preference. For these reasons, we support *HB 894 as amended to remove the PLA scoring preference* and respectfully urge a favorable report with that change

Respectfully submitted,

Matt Teffeu
Director of Government Affairs

