



**Letter of Support**  
**Senate Bill 389 — Maryland Transit and Housing Opportunity Act**  
Senate Finance Committee  
February 17, 2026

Chair Beidle, Vice Chair Hayes, and members of the Finance Committee:

Thank you for the opportunity to submit this letter in support of Senate Bill 389, the Maryland Transit and Housing Opportunity Act.

**What this bill does**

SB 389 expands lawful capacity for residential and mixed-use development around major transit stations by modernizing local zoning rules in defined transit areas. It limits unnecessary parking mandates and overly restrictive lot requirements that have suppressed housing supply near rail and high-frequency transit. It also reduces upfront financial barriers by allowing certain local impact fees and excise taxes to be collected upon project completion rather than at groundbreaking.

**Why this is important**

This legislation aligns with the findings of the Office of the Comptroller's report, [Housing & the Economy in Maryland](#). Our analysis concluded that Maryland's housing challenge is not primarily a lack of land, but a lack of legally permissible density in the places with the strongest demand. Our research shows that persistently low vacancy rates in job-rich, transit-served areas are a major driver of rising rents and home prices. Even moderate demand growth in these markets pushes costs upward when supply is legally constrained. Transit corridors exemplify this problem: they are well-served by infrastructure, yet often underbuilt because of local zoning barriers.

The report also found that zoning rules — including minimum lot sizes, mandatory parking requirements, and lengthy approval processes — artificially suppress effective vacancy even where land is available. Maryland does not lack developable land near transit; it lacks permission to use that land more efficiently. By enabling mixed-use housing and reducing unnecessary parking mandates, SB 389 increases functional capacity where it is most economically valuable.

In addition, our analysis emphasized that housing supply is constrained not only by zoning, but by financing barriers. Requiring developers to pay impact fees and excise taxes at groundbreaking often makes projects harder to finance, delaying or preventing construction. Allowing collection at project completion lowers risk without reducing local revenues, consistent with sound fiscal policy.

From a revenue perspective, expanding housing near transit strengthens Maryland's long-term tax base by supporting population growth in high-productivity areas and increasing economic activity around rail stations, while reducing pressure on roads and other costly infrastructure.

If you have any questions, please do not hesitate to contact Stephen Harrington at [sharrington@marylandtaxes.gov](mailto:sharrington@marylandtaxes.gov).

My best,  
Brooke E. Lierman  
Comptroller of Maryland



