



MARYLAND CHAPTERS
THE ASSOCIATION FOR
COMMERCIAL REAL ESTATE

February 13, 2026

The Honorable, Pamela Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

The Honorable, Brian J. Feldman, Chair
Senate Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Favorable w/ Amendments: SB 389 – Land Use – Transit Oriented Development - Alterations

Dear Chair, Beidle, Chair Feldman and Committee Members:

The NAIOP Maryland Chapters represent approximately 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate. On behalf of our member companies, I am writing to recommend your favorable with amendments report on SB 389.

NAIOP strongly supports the bill’s intent, particularly the expansion of development capacity around transit infrastructure and the removal of barriers to mixed-use and multifamily development. The bill contains several well-developed provisions that are implementable today and several forward-looking components that we believe need amendment to ensure effective implementation and coordination.

Ready-to-implement Provisions.

- **Prohibiting Minimum Parking Requirements Near Transit** - SB 389 prohibits local jurisdictions from imposing minimum parking requirements on residential or mixed-use development located within 0.25 miles of high-service rail stations.

This is a highly effective policy tool. Minimum parking mandates significantly increase development costs, suppress density, and undermine transit usage by over-prioritizing car access. Removing these mandates gives developers flexibility to meet market demand and encourages walkable, transit-oriented urban form.

This provision will help accelerate TOD project feasibility and remove or reduce one of the single most costly regulatory barriers to mixed-use infill redevelopment.

- **Collecting Impact Fees and Excise Taxes at Occupancy** - The bill’s new impact-fee timing requirements help reduce up-front capital burden on mixed-use TOD projects by allowing impact fees to be collected after construction and at issuance of a certificate of occupancy.

Many large-scale infill projects struggle during early phases with stacked pre-revenue financing obligations. Aligning fee collection with actual occupancy improves feasibility without reducing revenues for local infrastructure overall. This is a reasonable technical adjustment that improves project cash flow while maintaining local funding sources for infrastructure.

Provisions Recommended for Amendment

- Local Concurrence on Enterprise Zone Designation in TOD Areas – Enterprise Zones traditionally require local initiation and approval because they directly affect local tax revenues and administrative responsibilities. The bill should be amended to require local concurrence via local resolution or certification by the local Enterprise Zone administrator before these automatic designations take effect. This would respect the structure of Enterprise Zone program while still facilitating targeted tax incentives around transit infrastructure.
- Require TOD Density Integration into Local Comprehensive Plans – Upzoning and requiring mixed use zoning near high-frequency transit stations will contribute to the advancement of multiple priorities related to transportation, housing, and economic development. These changes should be integrated into local comprehensive plans and zoning ordinances within a defined timeframe and perhaps with specific minimum density requirements. This more integrated approach will, in our opinion, allow for better long-term capital planning and less disruption at the project application stage than the more preemptive method in the bill as introduced.
- Preferences for Project Labor Agreements (PLAs) Should be Considered Separately – At best there is conflicting evidence about the financial and operational implications of project labor agreements on affordable housing, infrastructure, and other construction projects. We believe the reference to PLAs should be removed from this bill and taken up separately.

SB 389 seeks to meaningfully advance Maryland’s commitment to housing, transit, and economic development. With amendments ensuring local coordination on Enterprise Zones and integrating TOD requirements into local planning and zoning, the bill will, from our point of view, be both effective and more workable statewide.

For these reasons, NAIOP respectfully requests your favorable w/ amendments report on SB 389.

Sincerely,



Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Finance Committee Members
Education, Energy, and the Environment Committee Members
Nick Manis – Manis, Canning Assoc.