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JACOB R. DAY
Secretary
JULIA GLANZ
Deputy Secretary

DATE: February 17, 2026

BILL NO.: Senate Bill 389

TITLE: Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act)

COMMITTEE: Senate Education, Energy, and the Environment Committee

Letter of Support

Description of Bill:

Senate Bill 389 would automatically designate any area previously designated as a “Transit-Oriented Development” as an “Enterprise Zone”. It also restricts local jurisdictions from imposing minimum off-street parking requirements within .25 miles of a rail station or taking action to preclude mixed-use development in areas within 0.5 miles of a rail transit station, and from imposing local zoning restrictions on state-owned land adjacent to transit stations and subject to an MDOT-approved transit-oriented development plan.

Background and Analysis:

“Transit-oriented development” (TOD) refers to planning strategies focused on building dense, mixed-use development in close proximity to public transit stations. Benefits of TOD include improved access to jobs, housing and amenities, and thus shorter commute times and reduced car dependency, which, in turn, decreases traffic congestion and pollution. Local communities also benefit from economic development and increases to the property tax base as a result of increased property values.

In recent years, the General Assembly has taken significant steps in promoting TOD. In 2023, Governor Moore signed into law the Equitable and Inclusive Transit-Oriented Development Enhancement Act, which creates a TOD Capital Grant and Revolving Loan Fund and reduces several barriers to effective TOD redevelopment activities, including expanding eligible areas. In the 2024 session, the General Assembly passed the Housing Expansion and Affordability Act (HEAA), which was signed into law by Governor Moore in April. The HEAA encourages TOD by establishing “density bonuses” allowing developers to exceed the maximum residential density allowed under local zoning codes for housing developments within 0.75 miles of a transit station.

SB 389 builds on these existing measures to further promote TOD by mitigating local zoning barriers such as minimum parking requirements in areas intended to be primarily served by mass transit. Encouraging more transit-oriented development will be beneficial to residents and businesses who are constrained by long commute times and lack of access and will help increase local tax bases by boosting density and property values in areas near transit stations.

DHCD Position

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on SB 389.

