

HEARING DATE: February 17th, 2026

BILL NO: SB 389

COMMITTEE: Finance

POSITION: Support

FOR INFORMATION CONTACT: Andrew Wilson (443) 721-6789

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

BILL ANALYSIS:

SB 389 amends portions of the Economic Development, Land Use, and Local Government Articles to promote Transit-Oriented Development (TOD) around transit stations that receive at least hourly service, Monday through Friday, from 8am – 6pm. The amendments proposed would: 1) automatically designate TOD areas as Enterprise Zones, allowing local commercial entities to capitalize on related funding; 2) prohibit local jurisdictions with land use authority from imposing an off-street parking requirement on residential or mixed-use development located within a quarter mile of a rail transit station that receives the frequency of service noted above; 3) require local jurisdiction’s zoning laws to allow for mixed-use development within a half mile of a rail transit station that receives the same frequency of service noted above; 4) prohibit local jurisdictions from imposing height, setback, or any similar requirement of state owned land subject to a TOD plan and in use for a rail transit station that receives the same frequency of service noted above; and 5) delay the collection of excise taxes and impact fees, excluding those for public water and sewer services, until the construction of a qualifying residential real estate project located within a TOD area is complete and the certificate of occupancy or local equivalent has been issued.

POSITION AND RATIONALE:

The Maryland Department of Planning (MDP) supports SB 389 and is providing testimony specific to: (1) the elimination of minimum off-street parking requirements on a residential or mixed-use development that is located within ¼ mile of a rail transit station with the stipulated service frequency; (2) the mandated allowance of mixed-use development within ½ mile of a rail transit station with the stipulated service frequency; and (3) the prohibition of imposing certain local zoning restrictions if a state-owned land in use for a transportation purpose adjacent to a transit station has an approved transit-oriented development plan by the Maryland Department of Transportation (MDOT) and is developed in coordination with the local jurisdiction.

MDP is the primary state agency tasked with both supporting local governments in their implementation of the Land Use Article and with the State's oversight of sustainable growth land use policy such as the State Economic Growth, Resource Protection, and Planning Policy and Priority Funding Areas. MDP also partners with DHCD and MDOT to align community revitalization goals with transportation planning using data and geospatial mapping in developing interactive tools to assist in local decision-making regarding land use and development. One such tool is [the Transit Station Area Profile Tool \(TSAPT\)](#) that displays demographic and socioeconomic, residential and commercial market overview, land use, and ridership data, as well as transit services and state incentive zones around Maryland's rail transit stations. This tool is used by local governments, interest groups, and the private sector to explore TOD opportunities in their community. MDP is developing additional tools and resources to assist local governments advance affordable housing opportunities in their communities.

The elimination of minimum off-street parking requirements and prohibition of the legislative body from preventing mixed-use developments within half mile of rail transit stations, as proposed in SB 389, are targeted policy incentives to encourage TOD in areas with multi-modal choices and typically have an abundance of off-street parking. The elimination of minimum parking standards is a proven best practice for encouraging denser development in residential and employment growth areas by enhancing their financial feasibility and optimizing land use. MDP asserts that all areas within ½ mile of a transit station are ideally suited for residential and employment growth. This bill will also help prevent valuable land within ¼ mile of a transit stop from being used for surface parking. Surface parking hinders sustainability, encourages single occupancy vehicle trips, and impedes pedestrian networks, all of which work in opposition to effective TOD development.

SB 389's aim is to encourage higher density and mixed-use development within ½ mile of a rail transit station. Research and case studies indicate ½ mile walk distances from transit to be acceptable for the avoidance of cars or other vehicles to connect people from their home to transit centers. Increasing the number of residents living within walking or cycling distance to rail transit stations also reduces overall carbon footprint, improves health, increases access to employment centers connected by transit and supports social connectivity to enhance community well-being. All these factors are also well documented contributors to community resiliency, placemaking, and economic competitiveness. The bill also provides important development flexibility and certainty for TOD projects on state-owned land contiguous to rail transit stations. This flexibility and certainty will optimize transit investments to benefit the maximum number of people, which has the added potential to increase overall ridership, leading to improved financial viability of the transit systems. Additionally, encouraging higher densities and mixed-use development will also attract other public and private investment in the area, leading to greater economic and community development around the rail stations.

This bill advances six of the eight Sustainable Growth Planning Principles that make up the State's Economic Growth, Resource Protection, and Planning Policy: **Land** – *prioritizing development within population centers*; **Transportation** – *prioritizing energy-efficient, affordable, and reliable transportation networks*; **Housing** – *enable a mix of quality housing types*; **Economy** – *allow for adaptive reuse and mixed-use*; **Equity** – *ensure diverse voices are heard and needs of underserved are prioritized*; and **Place** – *provide for public spaces that encourage social interaction*.

MDP stands ready to support local jurisdictions with the interpretation and implementation of SB 389 and will continue to develop data-driven tools to inform decision-making. This bill will have a positive impact on communities and support Maryland's sustainable growth for generations to come.

MDP Position

The Maryland Department of Planning respectfully requests a **favorable** report on SB 389.