

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1504 (Delegate Healey)
Environment and Transportation

Highways - Sidewalks and Bicycle Pathways - Construction and Reconstruction

This bill requires the State Highway Administration (SHA), in determining funding for the construction and reconstruction of sidewalks and bicycle pathways in certain priority funding areas, to prioritize projects that are, or are adjacent to, highways that are subject to a complete streets policy or another similar Vision Zero program. In addition, for specified sidewalk or bicycle pathways – those in certain priority funding areas that are determined by SHA to be a substantial public safety risk or significant impediment to pedestrian access – SHA may fully fund the cost to acquire the necessary rights-of-way for the projects. Finally, the bill requires local governments, when submitting requests for sidewalk or bicycle pathways construction or reconstruction projects to SHA, to make the requests in annual priority letters for the Maryland Department of Transportation’s (MDOT) consideration for inclusion in the Consolidated Transportation Program (CTP).

Fiscal Summary

State Effect: The bill does not affect total Transportation Trust Fund (TTF) expenditures for sidewalk and bicycle pathway projects but may result in different projects being prioritized for funding beginning as early as FY 2027, as discussed below. Revenues are not affected.

Local Effect: Local government operations and finances may be affected beginning as early as FY 2027, as discussed below.

Small Business Effect: Minimal or none.

Analysis

Current Law:

Sidewalk and Bicycle Pathway Construction – Generally

Sidewalks must be constructed at the time of construction or reconstruction of an “urban highway,” or in response to the request of a local government unless (1) SHA determines that the cost or impacts of constructing the sidewalks would be too great in relation to the need for them or their probable use or (2) the local government indicates there is no need for sidewalks. An “urban highway” is a highway, other than an expressway, that meets certain technical specifications, is located within the boundaries of a municipality, and is part of the State highway system.

If sidewalks or bicycle pathways are constructed or reconstructed as part of a roadway construction or reconstruction project, SHA must fund the sidewalk or bicycle pathway construction or reconstruction as a part of the cost of the roadway project. In general, if sidewalks or bicycle pathways are constructed or reconstructed in response to a request from a local government and the adjacent roadway is not being concurrently constructed or reconstructed, the cost to construct or reconstruct the sidewalk or bicycle pathway must be shared equally between the State and local governments. However, other provisions apply with respect to sidewalks or bicycle pathways constructed or reconstructed within sustainable communities and priority funding areas, as discussed below.

If sidewalks or bicycle pathways are being constructed or reconstructed in response to a request from a local government and the adjacent roadway is not being concurrently constructed or reconstructed, the local government must (1) provide public notice and opportunities for community involvement prior to the construction and (2) secure any necessary right-of-way that may be needed beyond the right-of-way already owned by the State.

After any such sidewalk or bicycle pathway is constructed, it must be maintained and repaired by the political subdivision in which it is located. Subject to approval and the availability of funds, however, SHA must promptly reimburse a political subdivision for any preapproved and documented costs incurred in reconstructing a segment of sidewalk or bicycle pathway that has deteriorated to the extent that repair is not practical or desirable for public safety.

Sidewalk and Bicycle Pathway Projects – Priority Funding Areas

If a sidewalk or bicycle pathway within an area designated as a priority funding area is constructed or reconstructed in response to a request from a local government and the

adjacent roadway is not being concurrently constructed or reconstructed, and if SHA determines that construction would not occur due to insufficient contribution of funds by the local government, the cost of the project must be shared as follows: 75% by SHA; and 25% by the local government.

If a sidewalk or bicycle pathway within an area designated as a priority funding area is constructed or reconstructed based on a determination by SHA that a substantial public safety risk or significant impediment to pedestrian access exists and the adjacent roadway is not being concurrently constructed or reconstructed, then SHA (1) must categorize the project as “system preservation” and give corresponding funding priority to the project and (2) may fully fund the project.

Neither of these funding requirements apply to sidewalk or bicycle pathways projects in a priority funding area that is a sustainable community. Instead, any such project may be funded entirely by the State.

Sustainable Communities and Priority Funding Areas

A “sustainable community” is defined as a part of a priority funding area that (1) is designated by the Sustainable Growth Subcabinet, as specified; (2) has been designated as a Base Realignment and Closure Revitalization Incentive Zone; or (3) has been designated a transit-oriented development.

Chapter 759 of 1997 directs State funding for growth-related infrastructure to priority funding areas, providing a geographic focus for State investment in growth. Priority funding areas are existing communities and places where local governments want State investment to support future growth. Growth-related projects include most State programs that encourage or support growth and development, such as highways, sewer and water construction, economic development assistance, and State leases or construction of new office facilities. The Act legislatively designated certain areas as priority funding areas and established criteria for locally designated priority funding areas.

Complete Streets Policies

“Complete streets policy” means a policy that provides information for the implementation of complete streets design features during the planning, design, construction, and reconstruction of a facility.

Chapters 721 and 722 of 2018 established the Complete Streets Program as a competitive matching local grant program within MDOT. Under the program, a local government that develops a complete streets policy and is certified by MDOT may apply for matching grants to finance the design and planning of eligible projects. The stated purpose of the

program is to encourage local governments to, among other things, adopt and utilize complete streets design elements in transportation projects. The stated goals of the program, as modified by Chapters 572 and 573 of 2019, include, among other things, improving safety, reducing traffic congestion, promoting healthy communities, and providing healthy food and other necessities, especially in food deserts.

Once certified by MDOT, a local government may apply for matching grants from the program. Grant funds may only be used for costs associated with the implementation of the complete streets policy, as specified, and the design and planning of eligible projects, which are specified projects that include the addition of or significant repair to facilities that provide access for users of multiple modes of transportation.

Vision Zero

The State's traffic safety program was renamed Vision Zero by Chapter 377 of 2019 and is currently referred to as [Zero Deaths Maryland](#). The purpose of Vision Zero is to develop strategies to make roadways safer for drivers and passengers of motor vehicles, bicyclists, and pedestrians. The goal of Vision Zero is to have zero vehicle-related deaths or serious injuries on roadways by 2030. MDOT must designate a coordinator to oversee the implementation of Vision Zero throughout the State. In implementing Vision Zero, the coordinator must, among other duties, collaborate with other State agencies and local authorities, including local transportation agencies, law enforcement agencies, educational institutions, and fire and rescue services.

Consolidated Transportation Program

Pursuant to current law, long-term transportation planning in the State is a collaborative process designed to consider input from the public, local jurisdictions, Metropolitan Planning Organizations, and elected officials. Among the numerous reports, meetings, and discussions that take place, the CTP, which is issued annually to the General Assembly, local elected officials, and interested citizens, provides a description of projects proposed by MDOT for development and evaluation or construction over the next six-year period. As part of the CTP process, local governments submit [priority letters](#) to MDOT each year to request projects for inclusion in the CTP and to generally advise MDOT on local transportation issues.

State Expenditures: While the bill requires the prioritization of sidewalks and bicycle pathways projects in certain priority funding areas – and authorizes SHA to fully fund costs to acquire rights-of-way for certain projects – the bill does not result in an increase in total expenditures, as MDOT's capital program is fully subscribed. Accordingly, overall TTF expenditures are not affected, but the bill may result in different projects receiving funding from SHA compared to current law. Any such impact cannot be reliably estimated without actual experience under the bill.

Local Fiscal Effect: As noted above, the bill may result in different sidewalk and bicycle pathways projects receiving funding from SHA compared to current law. Some local governments may receive less funding, while others may receive more funding. Also, to the extent that SHA fully funds the acquisition of the necessary rights-of-way for any projects, affected local governments benefit from a decrease in acquisition costs. Accordingly, local government finances may be affected; however, any such impact cannot be reliably estimated without actual experience under the bill.

The bill's requirement that requests from local governments for sidewalk and bicycle pathways projects be submitted in annual priority letters to MDOT can likely be handled using existing resources and is not anticipated to affect the amount of funding provided by SHA to local governments.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 628 of 2025.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Baltimore City; Harford and Montgomery counties; Maryland Municipal League; Department of Legislative Services

Fiscal Note History: First Reader - March 11, 2026
jg/lgc

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510