Transit-Oriented Development (TOD) Designation Enterprise Zone Eligibility

Starting October 1, 2026 State TOD Designation areas that are served by high-frequency rail stations (at least hourly service, on average, weekdays from 8 a.m. - 6 p.m.) will automatically be designated as an Enterprise Zone. Eligible State TOD Designation boundaries established prior to October 1, 2026 are eligible to be designated as an Enterprise Zone upon local request (ordinance, resolution, or similar action).

The EZ program provides real property and state income tax credits for businesses located in a Maryland enterprise zone in return for job creation and investments. For more information on the benefits of Enterprise Zone designation, please refer to the Enterprise Zone Tax Credit webpage.

Enterprise Zones established through a State TOD Designation do not count toward the limit of the number of Enterprise Zones the Secretary of Commerce may issue. However, the county cap on new Enterprise Zones still applies. In general, the Department of Commerce may not designate more than six enterprise zones in a calendar year. In addition, no more than two areas in a county may be designated an enterprise zone during a calendar year. Expansions that do not exceed 25 percent of the size of the original zone do not count against the limit on the number of Enterprise Zones it may establish.

At the time an applicable TOD area is designated, the jurisdiction applying for the designation may elect not to designate the area as an Enterprise Zone by notifying the Sustainable Growth Subcabinet in writing. Otherwise, MDOT will notify the Maryland Department of Commerce and Maryland State Department of Assessments and Taxation, and the State TOD Designation boundary will be considered an Enterprise Zone boundary.

Once an Enterprise Zone is designated, businesses may apply for real property tax credits and/or income tax credits. If located within an Enterprise Zone Focus Area, businesses may also apply for personal property tax credits. Businesses should consult with their local Enterprise Zone Administrator to determine the specific eligibility requirements applicable to their Enterprise Zone. Eligibility for these benefits is contingent upon meeting the applicable statutory and local requirements, including making an investment in capital improvements or hiring new employees.