

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 423

(Senator Madaleno, *et al.*)

Education, Health, and Environmental Affairs

Economic Matters

Local Government - Street Lighting Equipment

This bill requires an electric company to sell to a local government, upon written request of the local government and for fair market value, some or all of its existing street lighting equipment that is located within the local jurisdiction. Any dispute between a local government and an electric company under the bill has to be submitted to the Public Service Commission (PSC) for resolution.

The local government purchasing the street lighting equipment is responsible for its maintenance and may contract with an outside entity for this purpose. The bill exempts the maintenance of street lighting equipment by a local government owning the equipment from certain provisions regarding high voltage lines. Instead, the bill requires a person performing certain maintenance activities on such street lighting equipment to comply with and be qualified under the National Electric Safety Code.

The bill takes effect June 1, 2007.

Fiscal Summary

State Effect: Potential minimal operational impact on PSC. Revenues would not be affected.

Local Effect: Potential increase in local government expenditures to purchase street lighting equipment, and a potential decrease in expenditures related to maintenance costs. Revenues would not be affected.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: A person controlling the right to use space on any pole, lamp post, or other mounting surface previously used by the electric company for street lighting equipment must allow the local government that purchased the equipment to assume the rights and obligations of the electric company regarding this space for the unexpired term of any lease or other agreement under which the electric company used the space. The local government may not restrict or prohibit the universal access for electricity or any other service by assuming these rights and obligations.

Current Law: A high voltage line has a voltage of more than 750 volts and is installed above ground level. Generally, until otherwise determined by the owner or operator of the line, an installed above ground electric line is presumed to be high voltage and energized. Among other things, whenever a person erecting, operating, storing, transporting, or otherwise handling any object, including equipment, machinery, material, tools, or other apparatus, comes within 10 feet of a high voltage line, the person responsible for performing the activity must:

- promptly notify the owner or operator of the high voltage line of the activity to be performed;
- make any appropriate arrangements with the owner or operator of the high voltage line to carry out any required safety measures; and
- with any necessary cooperation from and subject to any necessary agreement with the owner or operator of the high voltage line, ensure that the line has been effectively guarded against accidental contact.

The owner, lessee, or user of any equipment that may be used near a high voltage line must be acquainted with the applicable laws regarding high voltage lines. The owner, lessee, or user of such equipment must have a posted sign stating that it is unlawful to use the equipment within 10 feet of any electric wire.

Generally, the provisions of law regarding high voltage lines do not apply to: (1) the maintenance or repair of an electric power plant or system owned by a private company or corporation for its own use; or (2) the construction, maintenance, or operation of a high voltage line and its support structures and associated equipment by a public utility that is regulated by the Public Service Commission, or the utility's agent or contractor.

Local Fiscal Effect: The Maryland Municipal League (MML) advises that for metered streetlights on metal poles without overhead high voltage lines attached, maintenance is competitive and local governments have a choice of the maintenance service provider.

This competition allows the municipality to save money on maintenance costs, select from a wide array of choices for lamp and luminaire, and facilitate potentially faster response to reports of streetlight outages. Because of distance restrictions regarding high voltage lines, this option is not currently available in the case of streetlights on wooden poles with overhead high voltage lines attached.

To the extent that a local government exercises the authority granted by the bill and purchases street lighting equipment, expenditures would increase. However, if maintenance costs decrease as a result of allowing a local government to choose the maintenance service provider of street lighting equipment, expenditures could decrease. The net impact cannot be reliably quantified at this time, as it depends upon the total cost related to purchasing the street lighting equipment as well as the potential decrease in street lighting maintenance expenditures. In any event, the impact would vary by local government.

Small Business Effect: If a local government purchases street lighting equipment and contracts with a small business for the maintenance of the street lighting equipment, small businesses could be positively impacted.

Additional Information

Prior Introductions: SB 296 and HB 1657, both identical bills, were introduced during the 2006 session. SB 296 passed the Senate but the bill received an unfavorable report from the House Economic Matters Committee. HB 1657 also received an unfavorable report the House Economic Matters Committee.

Cross File: HB 875 (Delegate Lawton, *et al.*) – Economic Matters.

Information Source(s): Town of Bel Air, Town of Leonardtown, City of Salisbury, Allegany County, Baltimore City, Montgomery County, Wicomico County, Maryland Municipal League, Public Service Commission, Department of Legislative Services

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