

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 117 (Senator Ellis)
 Finance

State Highway Administration - Litter Collection and Mowing

This bill requires the State Highway Administration (SHA), on a consistent and regular basis, to collect litter and mow the grass along State highways and interstate highways that it is responsible for maintaining. The bill establishes minimum frequency requirements for litter collection and mowing, depending on the season. SHA must contract with a Maryland-based company to collect litter and provide mowing services, as specified. Litter collection and mowing services provided under the bill must be considered a supplemental environmental project (SEP) for purposes of the U.S. Environmental Protection Agency’s (EPA) SEP policy.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by at least \$15.5 million in FY 2024 and at least \$20.6 million annually thereafter. Revenues are not affected.

(\$ in millions)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	15.5	20.6	20.6	20.6	20.6
Net Effect	(\$15.5)	(\$20.6)	(\$20.6)	(\$20.6)	(\$20.6)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not affect local government operations or finances.

Small Business Effect: Meaningful.

Analysis

Bill Summary: SHA *may* seasonally adjust the frequency with which it collects litter and mows but must (1) collect litter and mow at least twice a month during the growing season and (2) collect litter at least twice a month outside of the growing season, weather permitting. Additionally, if mowing will occur, SHA must collect litter before mowing.

When awarding a contract to collect litter and provide mowing services under the bill, SHA must give preference to (1) companies based within the county in which the litter collection and mowing will occur and (2) companies that hire formerly incarcerated individuals.

Current Law: SHA is responsible for more than 5,200 miles or approximately 16,800 lane miles of road, 2,500 bridges, 3,500 small stream crossing structures, and 80 miles of sound/noise barriers in the State. It also has responsibility for planning, designing, constructing, and maintaining these roads and bridges to safety and performance standards while considering sociological, ecological, and economic concerns.

A SEP is an enforcement tool used by environmental agencies (such as EPA and the Maryland Department of the Environment (MDE)) to augment traditional penalty actions when an entity violates an environmental law. Specifically, a SEP is a voluntary project undertaken by the violator as part of a settlement agreement or to offset monetary penalties for the violation. EPA requires a SEP to have a tangible environmental or public health benefit to the affected community or environment that is closely related to the violation being resolved but that goes beyond what is required under federal, state, or local laws.

State Expenditures: SHA advises that on average, it typically (1) performs litter collection along its highways approximately once per month (totaling 12 times annually) at an annual contractual cost of approximately \$8.3 million each year and (2) mows along its highways about four to six times annually at an annual contractual cost of approximately \$12.3 million.

Under the bill, SHA needs to *at least* double the frequency with which these services are performed, thereby increasing TTF expenditures by at least \$15.5 million in fiscal 2024 (due to the bill's October 1, 2023 effective date) and \$20.6 million annually thereafter.

MDE advises that the State likely does not have the authority to consider the mowing and litter collection services provided under the bill as a SEP under EPA's SEP policy. Therefore, any potential impact from this designation is not reflected in this analysis.

Small Business Effect: As noted above, the bill requires significantly more mowing and litter collection along highways under SHA's purview, creating abundant opportunities for small businesses in the State to contract with SHA or expand existing contracts with SHA.

Those based within the counties in which the litter collection and mowing will occur and those that hire formerly incarcerated individuals likely benefit the most given the bill's requirement that SHA give preference to those entities when awarding contracts under the bill.

Additional Information

Prior Introductions: Similar legislation has been introduced within the last three years. See SB 26 of 2021.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Maryland Department of the Environment; U.S. Environmental Protection Agency; Department of Legislative Services

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km/lgc

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