

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1129 (Delegate Ruth, *et al.*)
 Environment and Transportation

Wildlife - Protections and Highway Crossings

This bill establishes various requirements for the Department of Natural Resources (DNR) and the State Highway Administration (SHA) relating to (1) the identification and prioritization of threatened and endangered species whose habitat or movement corridors intersect with State highways; (2) the completion of a statewide deer population survey and related habitat maps to assist with identifying areas where wildlife crossings or wildlife-vehicle collision mitigation projects will reduce collisions between vehicles and deer; and (3) the design of new bridges, culverts, and State highways and the replacement or renovation of existing bridges and culverts. The bill also establishes the Wildlife Highway Crossings Fund in DNR; among other revenues sources, the bill establishes a \$10 annual wildlife-vehicle collision mitigation fee that must be paid for each insured motor vehicle in the State and remitted to the fund. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: Special fund revenues increase by \$50.9 million annually beginning in FY 2025 due to the new fee; special fund expenditures increase correspondingly.

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
SF Revenue	\$50.9	\$50.9	\$50.9	\$50.9	\$50.9
SF Expenditure	\$50.9	\$50.9	\$50.9	\$50.9	\$50.9
Net Effect	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

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

Maryland Automobile Insurance Fund Effect: Nonbudgeted revenues for the Maryland Automobile Insurance Fund (MAIF) increase by \$392,300 in FY 2025 as MAIF collects the wildlife-vehicle collision mitigation fee from its policyholders. Nonbudgeted expenditures for MAIF increase by \$742,300 in FY 2025 for one-time programming costs

and for MAIF to remit the fees to the Wildlife Highway Crossings Fund. Future years reflect ongoing collection and remittance of fees.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
NonBud Rev.	\$392,300	\$392,300	\$392,300	\$392,300	\$392,300
NonBud Exp.	\$742,300	\$392,300	\$392,300	\$392,300	\$392,300
Net Effect	(\$350,000)	\$0	\$0	\$0	\$0

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

Local Effect: Local government revenues and expenditures increase to the extent that the fund is used to provide matching grants to local governments, as discussed below.

Small Business Effect: Meaningful.

Analysis

Bill Summary:

Definitions

For purposes of the bill:

- “endangered species” means a wildlife species listed by DNR as an endangered species;
- “species of greatest conservation need” means a wildlife species identified by DNR as a species of greatest conservation need in the Maryland State Wildlife Action Plan; and
- “threatened species” means a wildlife species listed by DNR as a threatened species.

Identification of Affected Species

DNR, in collaboration with SHA, must:

- identify and prioritize threatened species and endangered species whose habitat or movement corridors intersect with State highways, giving special consideration to threatened and endangered species that are reptiles and amphibians; and
- develop any tools, technology, and techniques necessary to identify locations where new or altered State highway infrastructure could (1) reconnect habitat or movement corridors for the identified species and (2) reduce collisions between vehicles and wildlife.

Statewide Deep Population Survey and Habitat Maps

By November 1, 2024, DNR must develop a methodology and a cost estimate for performing a statewide deer population survey. DNR must complete the statewide deer population survey by November 1, 2026. Based on the results of the survey, DNR must develop deer population habitat maps. DNR must provide the survey data and habitat maps to SHA to assist with identifying areas where wildlife crossings or wildlife-vehicle collision mitigation projects will reduce collisions between vehicles and deer.

Subject to availability, DNR must use funding from the Wildlife Highway Crossings Fund (established by the bill and discussed below) to implement these requirements.

State Highway Administration Infrastructure Requirements

By June 30, 2026, the Maryland Department of Transportation (MDOT) must update any applicable design guidance, including the technical design standards in the *SHA Access Manual*, to incorporate design concepts for wildlife passage features and related plan and specification standards.

SHA must consult with DNR on the design of all new bridges, culverts, or State highways that could reasonably be expected to cause habitat fragmentation for a terrestrial threatened species, endangered species, or species of greatest conservation need, as defined by the bill. Any new bridge, culvert, or State highway constructed along a waterway in the State that causes habitat fragmentation for a threatened species, endangered species, or species of greatest conservation need must include a preserved or restored natural bank (or an artificial bank or shelf if a natural bank is not present or feasible to preserve or restore) of sufficient width to allow the species to safely pass through or along the bridge, culvert, or State highway. SHA must develop additional appropriate measures as necessary to encourage a terrestrial threatened species, endangered species, or species of greatest conservation need to safely pass through or along a bridge, culvert, or State highway.

When planning for the replacement or renovation of an existing bridge or culvert due to damage or deterioration, the bill requires SHA to consult with DNR to determine whether modifications to the bridge or culvert design could (1) connect habitat for terrestrial threatened species, endangered species, or species of greatest conservation need or (2) provide safer wildlife crossings and reduce collisions between vehicles and wildlife. SHA must incorporate any modifications identified pursuant to that requirement that do not significantly increase the project cost or timeline.

Wildlife Highway Crossings Fund

The Wildlife Highway Crossings Fund is established as a special, nonlapsing fund. DNR must administer the fund in consultation with SHA. The Secretary of Natural Resources and the Secretary of Transportation must each designate an interagency liaison officer to coordinate activities related to the purpose of the fund.

The fund consists of revenue distributed to the fund from the wildlife-vehicle collision mitigation fee on insured motor vehicles established by the bill (discussed below), specified federal funding, money appropriated in the State budget to the fund, interest earnings of the fund, and any other money from any other source accepted for the benefit of the fund. SHA must identify any federal funding programs that could support the purpose of the fund and apply for any funding that SHA determines is appropriate.

The stated purpose of the fund is to protect (1) any terrestrial threatened species, endangered species, or species of greatest conservation need whose habitat or movement corridors intersect with a State highway and (2) motorists and wildlife in the State by reducing collisions between vehicles and wildlife. The fund may be used to:

- advance wildlife crossing or wildlife-vehicle collision mitigation projects jointly identified and prioritized by DNR and SHA;
- assist with preparations necessary for such projects, as specified;
- develop methods and tools for identifying where wildlife crossing or wildlife-vehicle collision mitigation projects would (1) reduce collisions between vehicles and wildlife or (2) connect habitats of terrestrial threatened species, endangered species, or species of greatest conservation need;
- develop regional or statewide habitat maps in accordance with the bill, as specified;
- construct exclusionary fencing;
- provide matching funds for federal grants;
- provide maintenance for, monitor, and evaluate completed projects;
- provide education and outreach on related topics, as specified;
- provide matching grants to counties and municipalities for projects related to the purpose of the fund; and
- cover relevant administrative costs, including compensation for the interagency liaison officers in DNR and SHA.

Expenditures from the fund may only be made in accordance with the State budget. Money expended from the fund is supplemental to and not intended to take the place of funding that otherwise would be appropriated for these protections.

Fee on Insured Motor Vehicles

Each motor vehicle insurer must establish and collect a \$10 annual wildlife-vehicle collision mitigation fee for each vehicle in the State for which the insurer provides security (*i.e.*, insurance). MDOT must develop a process for each insurer to remit the fees collected under this provision to the Wildlife Highway Crossings Fund.

Current Law:

State Highway Administration

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.

Endangered Species Protection

The Nongame and Endangered Species Conservation Act governs the protection of threatened and endangered species at the State level. Among other things, the Act includes specifications for the Secretary of Natural Resources in adding or removing plants and animals from the [threatened and endangered species lists](#), prohibits certain activities that involve threatened and endangered species, including the possession and export of any such species; and establishes special additional protections for certain species.

Additionally, DNR's [Maryland State Wildlife Action Plan](#) outlines strategic conservation approaches for wildlife and wildlife habitats in the State. The plan is a strategy to guide the conservation of the State's wide range of fish, wildlife, and habitats, providing the framework and overall direction for wildlife and broader biodiversity conservation efforts in Maryland. The plan is required for the State to receive funding from the federal government's [State Wildlife Grants Program](#).

Required Security on Registered Motor Vehicles

Maryland law requires an owner of a motor vehicle that is required to be registered in the State to maintain insurance for the vehicle during the registration period. The Motor Vehicle Administration (MVA) may not issue or transfer the registration of a motor vehicle unless the owner or prospective owner of the vehicle provides satisfactory evidence to MVA that the required security is in effect. There are approximately 5.1 million registered and insured vehicles in the State.

State Revenues: MDOT advises that, as of December 31, 2023, there were 5,089,067 vehicles registered in the State. As noted above, vehicles must maintain insurance during the registration period and, therefore, the wildlife-vehicle collision mitigation fee established by the bill must be paid for each of these motor vehicles. Assuming the number of registered vehicles in the State remains at this level in future fiscal years, special fund revenues for the Wildlife Highway Crossings Fund increase by approximately \$50.9 million annually beginning in fiscal 2025.

This estimate assumes that each registered motor vehicle pays the fee only once each year and does not account for any potential effect resulting from administrative difficulties anticipated to be faced by insurers in collecting the fee, as discussed below in the Additional Comments section of this fiscal and policy note.

Special fund revenues increase further to the extent that SHA is able to identify and obtain any federal funding as a result of the bill; however, any such impact cannot be predicted and is not reflected in this analysis. This estimate also does not reflect any existing federal funding that may be redirected to the fund.

State Expenditures: As noted above, special fund revenues from the wildlife-vehicle collision mitigation fee are anticipated to total \$50.9 million annually for the Wildlife Highway Crossings Fund, providing substantial funding for DNR and SHA to implement the bill’s requirements. This analysis assumes that all available special funds are used each year, which is reasonable given the potential costs related to highway infrastructure projects discussed below. Therefore, special fund expenditures increase by an estimated \$50.9 million annually beginning in fiscal 2025. Anticipated costs from the fund generally fall into three categories: administrative costs; costs to complete the statewide deer population survey and habitat maps; and highway infrastructure costs, although the fund may be used for any authorized purpose. These costs are discussed in more detail below.

Administrative Costs

Special fund administrative expenditures increase by \$155,886 in fiscal 2025, which assumes a 90-day start-up delay from the bill’s July 1, 2024 effective date. This estimate reflects the cost of hiring two interagency liaison officers (one for DNR and one for MDOT), as required by the bill, to manage the fund and ensure collaboration between DNR and SHA in implementing the bill’s requirements. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	2.0
Salaries and Fringe Benefits	\$141,354
Operating Expenses	<u>14,512</u>
Total FY 2025 Admin. Expenditures	\$155,866

Future year administrative expenditures (which range from \$185,405 in fiscal 2026 to \$210,992 in fiscal 2029) reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

To the extent any other administrative costs are incurred, they would also be covered by the special fund.

Because automobile insurers in the State already remit premium tax revenues to the State on a regular and ongoing basis, this analysis assumes that no additional costs are incurred by MDOT to develop a process for each insurer to remit fees to the Wildlife Highway Crossings Fund in accordance with the bill.

Costs for the Statewide Deer Population Survey and Related Habitat Maps

The bill requires DNR to, by November 1, 2024, develop a methodology and a cost estimate for performing a statewide deer population survey. DNR must complete the statewide deer population survey by November 1, 2026, and develop deer population habitat maps based on the results of the survey. The bill requires this work to be funded through the new special fund, subject to available funding.

While the total cost to complete the survey and habitat maps depends on the methodology developed by DNR, a preliminary evaluation by DNR estimates that costs could total approximately \$1.8 million; this estimate assumes that DNR contracts this work out. Thus, for purposes of this analysis, it is assumed that special fund expenditures from the Wildlife Highway Crossings Fund increase by \$600,000 in fiscal 2025, \$900,000 in fiscal 2026, and \$300,000 in fiscal 2027 to complete the required survey and habitat maps.

Highway Infrastructure Costs

The bill requires SHA to consult with DNR on the design of all new bridges, culverts, or State highways that could reasonably be expected to cause habitat fragmentation for a terrestrial threatened species, endangered species, or species of greatest conservation need and implement specified infrastructure on any new bridge, culvert, or State highway constructed along a waterway in the State that causes habitat fragmentation for any such species. SHA must also incorporate specified modifications to existing bridges and culverts when they are replaced or renovated unless those modifications significantly increase the project cost or timeline.

MDOT advises that the cost to implement the infrastructure required by the bill is likely to vary from project to project depending on the geographical features of the area; in any event, the cost is anticipated to be significant. Costs could range from hundreds of thousands of dollars (for MDOT to construct additional culverts) to millions of dollars (for

MDOT to construct additional bridges). Given the significant length of highway and number of bridges under SHA's jurisdiction and the number of projects undertaken by SHA each year, total annual special fund expenditures from the Wildlife Highway Crossings Fund are anticipated to increase significantly for this purpose beginning as early as fiscal 2025.

Special fund expenditures for highway infrastructure projects increase further to the extent that matching grants are provided to local governments for this purpose.

MAIF Fiscal Effect: MAIF is an independent nonbudgeted State agency that provides automobile liability insurance to residents of the State who are unable to obtain policies in the private insurance market. Historically, and excluding MAIF's experience during the COVID-19 pandemic, MAIF provides insurance coverage to approximately 39,225 policyholders each year. Assuming a similar experience for MAIF in future fiscal years, nonbudgeted revenues for MAIF increase by \$392,251 annually as MAIF collects the wildlife-vehicle collision mitigation fee from its policyholders; nonbudgeted expenditures for MAIF increase correspondingly as the fees are remitted to the Wildlife Highway Crossings Fund.

Additionally, nonbudgeted expenditures for MAIF increase by approximately \$350,000 in fiscal 2025 only for MAIF to upgrade its policy management system to collect the wildlife wildlife-vehicle collision mitigation fee from MAIF policyholders. This estimate includes costs to design, code, and test the upgraded system. MAIF advises that the system updates may not be complete by the bill's July 1, 2024 effective date; however, for purposes of this analysis, it is assumed that MAIF is able to collect the fee from all of its policyholders in fiscal 2025.

Local Fiscal Effect: The bill explicitly authorizes the Wildlife Highway Crossings Fund to be used to provide matching grants to counties and municipalities for projects related to the purpose of the fund. Therefore, local government revenues and expenditures increase to the extent that any such grants are provided.

Small Business Effect: Small business contractors, consultants, and engineers are likely to experience an increase in business to assist DNR, SHA, and local governments in the design and construction of projects undertaken as a result of the bill.

Additional Comments: MAIF advises, and the Department of Legislative Services concurs, that automobile insurers in the State may face significant administrative difficulties in collecting the wildlife-vehicle collision mitigation fee. Automobile insurance is a competitive market and policyholders regularly switch insurance carriers in the middle of the year since some policies can be paid monthly or every six months. In order to ensure

compliance with the bill, insurers will need to determine whether a newly insured individual has already paid the fee for that year.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 902 (Senator Lewis Young) - Education, Energy, and the Environment and Budget and Taxation.

Information Source(s): Department of Natural Resources; Maryland Department of Transportation; Maryland Insurance Administration; Maryland Automobile Insurance Fund; Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2024
js/lgc

Analysis by: Richard L. Duncan

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