

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 917 (Delegates Healey and Pruski)
 Economic Matters

**Department of Transportation and Maryland Transportation Authority -
 Utilities Installation - Data Submission**

This bill requires “utility owners” to submit specified service installation and relocation information to the Maryland Department of Transportation (MDOT) or the Maryland Transportation Authority (MDTA) within 60 days after the completion of the provision of utility service by or on behalf of the utility owner within a right-of-way or on real property owned or controlled by MDOT or MDTA. If a utility owner does not comply, MDOT or MDTA may require the removal of the facilities, infrastructure, or appurtenances for which the required information was not properly submitted and deny issuance of any future permit or authorization requested by the utility owner.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by \$45,100 in FY 2025; future years reflect annualization, inflation, and the elimination of one-time costs. Revenues are not directly affected.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	45,100	50,400	52,700	55,100	57,500
Net Effect	(\$45,100)	(\$50,400)	(\$52,700)	(\$55,100)	(\$57,500)

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

Local Effect: Local government expenditures may increase minimally to provide the required information to MDOT and MDTA. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Utility owner” means an entity that provides or contracts to provide utility service. “Utility service” means (1) energy services; (2) water, wastewater, and stormwater services; and (3) telecommunications services.

Within 60 days after the completion of the provision of utility service by or behalf of a utility owner within a right-of-way or on real property owned or controlled by MDOT or on MDTA, the utility owner must submit to MDOT and MDTA the location and type of services installed or relocated. The location information submitted pursuant to the bill must be georeferenced in a digital format in accordance with the data submission standards of MDOT and MDTA.

The bill does not apply to the provision of utility service within a right-of-way or on real property owned or controlled by the Maryland Port Administration (MPA).

Current Law: MDOT is responsible for managing the State’s transportation systems and is organized into various administrations and offices primarily based on the mode of transportation being managed. For example, the State Highway Administration is responsible for State highways and roadways, MPA is responsible for waterborne commerce and the Helen Delich Bentley Port of Baltimore, and the Maryland Transit Administration is responsible for State commuter transit systems.

MDTA works closely with MDOT and is responsible for constructing, managing, operating, and improving the State’s toll facilities (for example, the Chesapeake Bay Bridge, the Francis Scott Key Bridge, and the Intercounty Connector) and for financing new revenue-producing transportation projects.

State Expenditures: MDOT advises that it needs a full-time employee in its Office of Real Estate and Economic Development to establish the reporting process and to catalogue and manage the information submitted by utilities under the bill. MDOT further indicates that hiring a full-time employee would help relieve other positions in the office to address the existing backlog of work. The Department of Legislative Services advises that while the office may be understaffed, this bill alone does not justify the need for a full-time employee. However, due to the substantial quantity of information MDOT is likely to receive under the bill, a half-time position is warranted.

Accordingly, TTF expenditures increase by \$45,105 in fiscal 2025, which accounts for the bill’s October 1, 2024 effective date. This estimate reflects the cost of hiring one half-time program manager for MDOT’s Office of Real Estate and Economic Development to establish a reporting process and to catalogue and manage the information submitted by

utilities. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	0.5
Salary and Fringe Benefits	\$38,253
Operating Expenses	<u>6,852</u>
Total FY 2025 State Expenditures	\$45,105

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

MDTA can implement the bill using existing budgeted resources. In addition, it is assumed that the Maryland Environmental Service, which owns and operates potentially affected utilities, can implement the bill with existing resources.

Local Expenditures: Local governments own and operate many utilities that may be affected by the bill, including municipal electric utilities and water and sewer systems. These utilities may incur increased costs to submit the information in the timeframe require; however, any such impact, if realized, is anticipated to be minimal.

Additional Comments: This analysis assumes general compliance by utilities in submitting the required information. However, to the extent that MDOT or MDTA require the removal of utility facilities, infrastructure, or appurtenances if a utility fails to submit the required information, the State, local governments, and small businesses could be significantly affected. For example, the removal of utility facilities could disrupt State operations directly if power or water is temporarily cut off, and utilities could experience significant operational issues and costs if they are required to remove any such facilities.

Additional Information

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

Designated Cross File: SB 401 (Senator Kagan) - Education, Energy, and the Environment.

Information Source(s): Maryland Department of Transportation; Public Service Commission; Maryland Environmental Services; Office of People’s Counsel; Department of Public Safety and Correctional Services; Maryland Association of Counties; Maryland Municipal League; Baltimore City; Prince George’s County; Department of Legislative Services

Fiscal Note History: First Reader - February 11, 2024
js/lgc

Analysis by: Richard L. Duncan

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