

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**  
**Revised**

House Bill 586 (Delegate Brinkley, *et al.*)

Commerce and Government Matters

Referred to Budget and Taxation

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**State Highway Administration - Highway Work Permits - Bonds and Sureties**

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This amended bill requires a person to obtain a highway work permit from the State Highway Administration before placing an improvement on a State highway. The bill further requires that SHA require a performance bond, letter of credit, or another type of surety from a nongovernment developer who applies for a highway work permit. SHA must also require a payment bond, letter of credit, or another type of surety from a nongovernment applicant who applies for a highway work permit if (1) the amount of the improvement is expected to exceed \$100,000; (2) the project is financed, in whole or in part, by private funds; and (3) the entire improvement is located outside the contractor's property.

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**Fiscal Summary**

**State Effect:** The bill would protect the State against loss from any damage to State highways caused by nongovernment contractors and developers.

**Local Effect:** None.

**Small Business Effect:** Minimal increase in the expenditures and administrative requirements of small developer and contractor businesses resulting from the payment or performance bond requirement.

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**Information Source(s):** Department of Transportation (State Highway Administration),  
Department of Fiscal Services

**Fiscal Note History:** First Reader - February 20, 1997  
brd Revised - House Third Reader - March 12, 1997

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