

Department of Legislative Services  
Maryland General Assembly  
2002 Session

FISCAL NOTE  
Revised

House Bill 130  
Appropriations

(Delegate Bronrott, *et al.*)

Budget and Taxation

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Sidewalks or Bicycle Pathways - Priority Funding Areas - Sharing of Construction Costs

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This bill increases from 50% to 75% the State share of construction and reconstruction costs for sidewalks or bicycle pathways in priority funding areas if the State Highway Administration (SHA) determines that: (1) a substantial public safety risk exists; and (2) construction would not otherwise occur due to an insufficient local government contribution. Local governments must pay the remaining 25% of the costs. The bill does not apply to sidewalks located in a priority funding area that is a designated neighborhood.

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Fiscal Summary

**State Effect:** None. The bill primarily alters the purposes for which existing funds may be used.

**Local Effect:** Potentially significant decrease in local government expenditures for sidewalk or bicycle pathway construction in priority funding areas.

**Small Business Effect:** None.

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Analysis

**Current Law:** The State provides half of the funding for bike paths and sidewalks adjacent to State roads at the request of a local government. If sidewalks or bike paths are constructed or reconstructed as part of a roadway construction or reconstruction

project, the State is responsible for all of the costs. Sidewalk projects in designated revitalization areas are eligible for full State funding.

Chapter 759 of 1997 (SB 389) established priority funding areas (PFAs) -- also known as Smart Growth areas -- throughout the State. With certain exceptions, that Act prohibits State funding for growth-related projects outside priority funding areas designated by each county. PFAs include: designated revitalization neighborhoods, enterprise zones, certified heritage areas, areas located between Interstate Highway 495 and the District of Columbia (inner Beltway), and areas between Interstate 695 and Baltimore City.

A local jurisdiction can select an area to be a designated neighborhood, with the concurrence of the Secretary of Housing and Community Development, based on factors such as the age and number of abandoned or substandard structures, residents' income relative to the State or regional median, and the need for financing for small businesses to upgrade the social and economic conditions of the neighborhood. Designated neighborhoods are eligible for State assistance for various development programs and improvement projects, including sidewalk construction.

**State Expenditures:** SHA expects to spend \$3.9 million in fiscal 2003 for sidewalk projects; the six-year Consolidated Transportation Program (fiscal 2002-2007) contains \$17.6 million for sidewalks. The Department of Legislative Services (DLS) notes that while the bill does not require additional funding, it would somewhat speed up the use of existing resources dedicated to the Consolidated Transportation Plan. According to the Maryland Department of Transportation (MDOT), fewer sidewalks may be built under the formula proposed by the bill. However, MDOT advises that some local jurisdictions cannot provide the 50% match and, therefore, not all of the eligible local governments are receiving State funds for sidewalks.

**Local Expenditures:** If more State funding is available for sidewalks and bike pathways that present a safety hazard, local government expenditures could decline, particularly for any municipalities responsible for sidewalk construction. The impact would vary by jurisdiction. DLS advises that small or distressed counties will benefit the most. Prince George's County anticipates an indeterminate expenditure decrease and Washington County anticipates no effect on its finances. Worcester County indicates it would only experience a minimal savings due to a limited number of sidewalks in the county.

## **Additional Information**

**Prior Introductions:** A similar bill was introduced in the 2001 session as HB 1355. It passed the House after receiving a favorable report from the Appropriations Committee but was given an unfavorable report by the Budget and Taxation Committee.

**Cross File:** None.

**Information Source(s):** Department of Transportation, Montgomery County, Prince George's County, Washington County, Worcester County, Department of Legislative Services

**Fiscal Note History:** First Reader - January 25, 2002  
ncs/jr Revised - House Third Reader - March 21, 2002  
Revised - Enrolled Bill - April 16, 2002

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