

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 1040 (Delegate Heller)
Environmental Matters

State Highway Administration - Bridge Sponsorship Program

This bill authorizes the State Highway Administration (SHA) to award the right to sponsor any bridge located on a State highway to the highest bidder in an open and competitive bidding process. SHA is responsible for the construction and maintenance of sponsorship signs placed at the entrance to the bridge that identify the sponsor. The highest bid must be sufficient to recover SHA's costs and must result in a surplus. The surplus would be distributed 70% to the Transportation Trust Fund (TTF) and 30% to the county agency with responsibility for highway maintenance in the county where the sign is placed. Bridge sponsorship rights are valid for up to ten years; current or former sponsors may rebid.

The bill also specifies the design, size, and placement of signs.

Fiscal Summary

State Effect: Potentially significant increase in TTF revenues if an entity sponsors a State-owned bridge. Expenditures would not be affected.

Local Effect: Potentially significant increase in revenues for any local jurisdiction that receives a portion of the bridge sponsorship.

Small Business Effect: Minimal or none.

Analysis

Current Law: None applicable.

Background: Sponsorship or naming rights have been used to generate revenues for sports facilities in Maryland and other states. Comcast Corp., for example, recently gave a \$25 million gift to the University of Maryland as part of an agreement to name the university's new sports arena Comcast Center. Such a program has not been commonly used for state bridges and other transportation routes, according to the National Conference of State Legislatures.

State Fiscal Effect: SHA and the Maryland Transportation Authority are responsible for the maintenance of over 2,400 bridges in the State, including well-traveled, highly visible bridges such as the William Preston Lane, Jr. Memorial Bridge (Chesapeake Bay Bridge) and the Francis Scott Key Bridge.

Revenues associated with the sponsorship of the larger, more visible bridges would probably be significant. However, Legislative Services does not have any information on which to base an estimate on the amount of interest that could be generated by such a program.

Expenditures would not be affected because the bill allows SHA to recover any costs associated with the construction and maintenance of sponsorship signs.

Local Revenues: The bill allows the local agency with responsibility for highway maintenance in the county where the sign is placed to receive 30% of the proceeds of any sponsorship in that county. Local jurisdictions with more visible bridges can expect to receive a significantly larger share of the program's proceeds.

Additional Information

Prior Introductions: An identical bill was introduced as HB 326 in the 2001 session and HB 905 in the 1999 session. Both received an unfavorable report from the Commerce and Government Matters Committee.

Cross File: None.

Information Source(s): Maryland Department of Transportation (State Highway Administration), National Conference of State Legislatures, Department of Legislative Services

Fiscal Note History: First Reader - March 17, 2003
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