

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 49 (Delegate Cardin)
Environmental Matters

Transportation - Highways - Business Service Signs

This bill requires the State Highway Administration (SHA) to adopt regulations that require business service signs display the travel distance to the business or attraction identified on the sign.

Fiscal Summary

State Effect: None. The bill's costs, estimated at \$1.1 million, will be absorbed by participating businesses.

Local Effect: None.

Small Business Effect: Moderate. Small businesses that are advertised on service signs will be required to pay for the cost of amending the sign.

Analysis

Current Law: SHA may place service signs on controlled access highways that provide information to the driving public on the availability of gas, food, lodging, camping, or attractions. It must adopt regulations governing specific service signs that must conform to all applicable federal standards and regulate the type, lighting, size, number, and location of the signs. SHA must consult with the Maryland Travel Council before drafting the regulations and with the Department of Business and Economic Development (DBED) and appropriate local government officials concerning placement of the signs.

The business or attraction identified in a service sign must pay for the full administrative and operational cost of procurement, installation, and maintenance of the sign. Approximately 1,000 businesses participate in service-specific signs.

In addition, the State's system for traffic control devices must correlate and conform with, as far as possible, the most recent edition of the *Federal Manual on Uniform Traffic Devices for Streets and Highways*. The manual gives detailed guidance and requirements for the content, design, and placement of highway signs and states, as guidance, that distances to eligible services should not exceed three miles in either direction. If a facility is not available within three miles (or does not wish to participate), the limit of eligibility may be extended in three-mile increments up to a 15-mile radius or until a facility for the service being considered is reached, whichever comes first.

Background: There are approximately 320 business service signs on State highways and 400 service signs on exit ramps. SHA advises that travel distances are being added to signs along exit ramps if the business or attraction is not within view. About 40% of the signs have been revised. According to SHA, the cost per business to add distances to the exit ramp signs is \$716.

The Maryland Tourism Council (formerly the Maryland Travel Council) is the statewide membership organization representing all private sector segments of the hospitality and tourism industry; its missions include business growth, professional development, and alliances with other tourism organizations, the business community, and State and local governments.

SHA estimates that 90% of the estimated 320 highway signs will need to be replaced under the bill to accommodate larger sign panels. The total cost is estimated to be \$1.1 million for both replacement signs and existing signs that can be altered with plaques. SHA assumes half of the replaced signs will require a new foundation, at a cost of approximately \$5,000 per sign (or \$720,000 total). Those that can be rebuilt on existing foundations would cost \$2,000 each (\$288,000). Signs that do not require replacement will cost \$32,000 (\$1,000 per sign).

SHA advises that adding travel distances to the ramp signs is easier and less costly; therefore, the cost to these businesses will be higher for main highway signs. Because SHA had planned to eventually replace the ramp signs, the estimate above does not include expenditures to complete the ramp sign replacement.

Small Business Effect: Approximately 6,496 (or 91%) of the 7,139 companies that provide food services, recreational vehicle parks, and lodging in Maryland are small businesses, according to the U.S. Census 2001 *Statistics of U.S. Businesses*. (Amusement

and recreation parks and other entertainment facilities are not included.) Those businesses, including small businesses, who advertise on service signs will be required to help pay for the cost of changing or replacing a sign over the next several years. Some of the participating businesses are independently owned franchises of national chains.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Business and Economic Development, Maryland Department of Transportation, U.S. Census Bureau, Department of Legislative Services

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lc/mdr

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