

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 854

(Delegate Lisanti, *et al.*)

Environment and Transportation

Finance

State Highway Administration - Relocation of Water or Sewer Lines - Cost
Sharing

This bill requires the State Highway Administration (SHA), when the relocation of a water or sewer line of a publicly owned utility is needed due to a federal project, to notify the political subdivision or agency that owns the utility of the estimated cost of the relocation. SHA must also investigate funding sources to help the political subdivision or agency meet its share of the cost and, if needed, develop a payment plan.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures may increase to the extent that SHA offers a payment plan to a local subdivision or agency for a relocation project as a result of the bill; TTF revenues increase, likely over a multi-year period, as SHA is repaid. Overall, the bill is not anticipated to materially affect TTF finances. SHA can investigate potential funding sources using existing resources.

Local Effect: Local expenditures may decrease to the extent that SHA is able to locate funding sources to assist a local government in meeting its share of the cost of a relocation project. Local expenditures for a relocation project may be delayed to the extent that SHA offers a local government a payment plan.

Small Business Effect: None.

Analysis

Bill Summary: “Federal project” means a State highway project that is financed in whole or in part with federal funds and is designed to enhance a federal facility. “Federal facility” means an installation of the U.S. Armed Forces and any property owned or leased by an agency of the United States. “Publicly owned utility” means a utility owned or operated by a political subdivision of the State or by a public agency created under the laws of the State.

Current Law/Background: SHA is responsible for more than 5,200 miles or approximately 16,800 lane miles of road, 2,500 bridges, 3,500 small stream crossing structures, and 80 miles of sound barriers in the State. It also has responsibility for planning, designing, constructing, and maintaining these roads and bridges to safety and performance standards while considering sociological, ecological, and economic concerns.

Relocation of Publicly Owned Utility Facilities

SHA is required to reimburse a publicly owned utility for the cost of relocating any facility of the publicly owned utility only if (1) federal funds are available to the State under specified provisions of federal law related to federal-aid primary, federal-aid secondary, and interstate highways and (2) the payment would otherwise be required for relocation of a facility of a nonpublicly owned utility.

However, SHA advises that it also provides reimbursement to publicly owned utilities for the relocation of facilities based on a Federal Highway Administration-approved “prior rights process.” If the public utility was in an area prior to SHA’s project in the area, SHA pays for the cost of relocating the facility. Conversely, if the facility received a permit to locate its facility on State or SHA property or is located on the property illegally, the utility pays the cost of relocating the facility if SHA begins a project in that area. SHA advises that this system frequently results in both SHA and the owner of the facility sharing in the cost of any relocation.

SHA further advises that it has recently begun to use a utility conflict matrix tool in order to work with utilities and ensure that they are not required to relocate any facilities unless it is absolutely necessary.

SHA advises that it is currently performing numerous Base Realignment and Closure Act projects in Fort Meade, Aberdeen, and other areas. For most of the projects, SHA is sharing in the cost of relocating water and sewer lines. However, for the project in Aberdeen, SHA is requiring the local government to pay the entire cost of relocating water and sewer lines based on its prior rights process.

Water and Sewer Services

Local governments typically provide sewerage and water services through a sanitary commission or a county or municipal agency. Baltimore City and all county governments, except Caroline, Montgomery, Prince George's, and Talbot counties, provide both water and sewerage services to their residents. In Caroline County, four municipalities (Goldsboro, Henderson, Marydel, and Templeville) joined with the county to form the North County Water and Sewer Authority starting in 2013; water and sewer services for the remainder of the county are provided by municipal, private, or community wells and septic systems. The Washington Suburban Sanitary Commission, a bi-county agency created by the General Assembly in 1918, provides nearly all parts of Montgomery and Prince George's counties with water and sewer services. Talbot County provides sewer services to St. Michaels and several unincorporated villages; water services are provided by municipal (Easton, Oxford, St. Michaels, and Trappe), community, or private well systems.

Additional Information

Prior Introductions: HB 920 of 2015, a similar bill, received an unfavorable report from the House Environment and Transportation Committee.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Harford County, cities of Frederick and Havre de Grace, Department of Legislative Services

Fiscal Note History: First Reader - March 8, 2016
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