

HB 10

Department of Legislative Services

Maryland General Assembly

2019 Session

FISCAL AND POLICY NOTE

First Reader

House Bill 10 (Delegate Carr)
Environment and Transportation

State Highway Administration – Sidewalks Within Priority Funding Areas – Repair and Maintenance

This bill requires the State Highway Administration (SHA) to maintain and repair all sidewalks that are located within a priority funding area (PFA) and adjacent to State highways.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by *at least* \$3 million in FY 2020 and by *at least* \$4 million annually thereafter for routine maintenance only; however, costs are likely to be significantly higher to handle seasonal snow removal. Revenues are not affected.

(\$ in millions)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	3.0	4.0	4.0	4.0	4.0
Net Effect	(\$3.0)	(\$4.0)	(\$4.0)	(\$4.0)	(\$4.0)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local expenditures to maintain and repair sidewalks decrease, potentially significantly, beginning in FY 2020. Revenues are not affected.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Background:

Sidewalk Construction, Maintenance, and Repair – Developers

SHA may require any developer of an industrial, commercial, or apartment area along a State highway to construct sidewalks parallel to the highway, with the agreement of the appropriate local government. Sidewalks may not be required if (1) doing so would be contrary to public safety; (2) the cost of doing so would be too great considering the need for them or their probable use; or (3) the population density, or another factor, indicates that there is no need for the sidewalks. Once sidewalks have been constructed pursuant to this provision, they must be maintained and repaired by the political subdivision in which they are located.

Sidewalk Construction, Maintenance, and Repair – Urban Highways

Sidewalks must be constructed during the construction or reconstruction of an “urban highway,” or if requested by a local government, unless the local government indicates there is no need for the sidewalks or SHA determines the cost or impacts of constructing the sidewalks would be too great in relation to the need for them or their probable use. An “urban highway” is one that meets certain technical specifications, is located within the boundaries of a municipality, and is part of the State highway system.

Responsibility for funding the actual construction/reconstruction of sidewalks is either the sole responsibility of SHA, the sole responsibility of the affected local government, or jointly shared between SHA and the affected local government. Generally, once sidewalks have been constructed pursuant to these provisions, they must be maintained and repaired by the political subdivision in which they are located. However, subject to approval and the availability of funds, SHA must reimburse a political subdivision for the preapproved and documented costs incurred in reconstructing a segment of a sidewalk that has deteriorated to the extent that repair is not practical or desirable for public safety.

Priority Funding Areas

Chapter 759 of 1997 established that State spending on certain growth-related activities must be directed to PFAs. Growth-related projects include most State programs that encourage or support growth and development, such as highways, sewer and water construction, economic development assistance, and State leases or construction of new office facilities. PFAs include all municipalities that existed in the State in 1997; areas inside the Washington Beltway and the Baltimore Beltway; and areas designated as enterprise zones, neighborhood revitalization areas, heritage areas, and certain industrial

areas. Areas that were annexed by a municipality after 1997 may also be designated PFAs, as long as the areas satisfy specified requirements in statute generally related to density, water and sewer access, and other related factors.

A map of the State's PFAs can be found on the [Maryland Department of Planning's website](#).

State Expenditures: TTF expenditures increase by *at least* \$3 million in fiscal 2020 (due to the bill's October 1, 2019 effective date) and by *at least* \$4 million annually thereafter. This estimate, which is based on information provided by SHA, only accounts for the costs SHA incurs to handle *routine* sidewalk maintenance. The estimate is based on the following assumptions:

- SHA must inspect and maintain an additional 4.4 million linear feet of sidewalk in PFAs throughout the State;
- each sidewalk has a 30-year service life;
- SHA must inspect and maintain about 150,000 linear feet of sidewalk each year, which equates to about 1,500 additional days of work for contract crews; and
- the total daily cost is \$2,700.

In addition to the costs estimated to be incurred for routine maintenance, SHA likely incurs significant additional costs for snow and ice removal on a seasonal basis. Generally, local governments and adjacent property owners are responsible for snow removal on their sidewalks; however, under the bill, for affected sidewalks, SHA is responsible for this activity. The total increase in TTF expenditures for snow and ice removal in any given year cannot be predicted and depends on the number and severity of winter storms that occur. For a winter storm that results in less than six inches of accumulation, SHA estimates an average cost of approximately \$1 million per event, which includes 367 contract crews working for 8 hours each at a rate of \$350 per hour. For a winter storm that results in six or more inches of accumulation, SHA estimates an average cost of about \$4 million per event, which includes 1,110 contract crews working 8 hours each at a rate of \$350 per hour and costs for hauling. *For illustrative purposes only*, in a given year, if there are three winter storms that result in less than six inches of accumulation and one winter storm that results in six inches or more of accumulation, the total cost for SHA to maintain the additional sidewalks under the bill would be approximately \$11 million in that year (\$4 million for routine maintenance and \$7 million for snow and ice removal).

The above estimates assume that SHA is able to engage enough contract crews to fully handle the additional maintenance; however, SHA advises that this may not be the case. To the extent that SHA is required to hire additional staff to assist with sidewalk maintenance and snow and ice removal, total costs increase further.

Local Expenditures: Local government expenditures decrease, potentially significantly, as SHA begins to assume responsibility for sidewalks that are currently being maintained at the local level. A reliable estimate of the decrease in local expenditures cannot be made at this time.

Small Business Effect: The overall effect on small businesses is unclear, but could be meaningful. Many of the contract crews that assist local governments or private property owners with snow and ice removal are likely small businesses. Under the bill, since SHA is responsible for additional sidewalks, any contracts these small businesses have with local governments/property owners are no longer needed. While it is likely that SHA needs to hire these same businesses for this work, at a minimum, the bill requires these entities to negotiate contracts with SHA. On the other hand, small business property owners that no longer have to maintain their own sidewalks benefit from a decrease in costs.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation; Maryland Department of Planning; Charles and Frederick counties; City of Havre de Grace; Department of Legislative Services

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an/lgc

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