

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 851 (Delegate Wilkins, *et al.*)
 Environment and Transportation

Department of the Environment - Development of Outdoor Lighting Standards

This bill requires the Maryland Department of the Environment (MDE) to adopt, by October 1, 2024, outdoor lighting standards that consider the impact of outdoor lighting on (1) energy consumption; (2) the environment; and (3) public health and safety. In developing the standards, MDE must consult with the Maryland Department of Health (MDH), the Maryland Energy Administration (MEA), and the State Highway Administration (SHA) and may consult with lighting industry experts, community and advocacy organizations, and other stakeholders.

Fiscal Summary

State Effect: General fund expenditures increase by \$200,000 in FY 2024 only for contractual services for MDE to develop the standards. Although State agencies may be affected by the adoption of the standards, any impact cannot be estimated at this time and is not reflected in the table below. State revenues are not affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	200,000	0	0	0	0
Net Effect	(\$200,000)	\$0	\$0	\$0	\$0

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

Local Effect: Although local governments may be affected by the adoption of the standards, any impact cannot be estimated at this time, as discussed below. Local revenues are not affected.

Small Business Effect: Potential meaningful.

Analysis

Current Law: MDE does not regulate outdoor lighting, and there are no statewide standards for outdoor lighting. As discussed below, provisions of State law address the procurement of luminaires for use on State grounds, the ownership of street lighting, and minimum energy efficiency standards for certain types of lighting.

State Procurement of Permanent Outdoor Lighting

Chapter 353 of 2011 generally requires that luminaires installed or replaced with State funds on the grounds of buildings owned or leased by the State must (1) maximize energy conservation and minimize light pollution, glare, and light trespass; (2) provide the minimum illumination necessary for the intended purpose of the lighting; and (3) be a restricted uplight luminaire if it has an output of more than 1,800 lumens. The Act does not apply to specified luminaires, and the requirement that high-output luminaires be restricted uplight luminaires may be waived under specified conditions.

Ownership of Street Lighting

Chapters 554 and 555 of 2007 authorized local governments to purchase and maintain street lighting equipment. Specifically, an electric company, on written request by a local government, must sell to the local government some or all of the company's street lighting equipment that is located within the local jurisdiction at a price equal to fair market value. A local government that purchases street lighting is responsible for ongoing maintenance and may contract with an outside entity for maintenance services. Any dispute between a local government and an electric company regarding the purchase of street lighting equipment must be submitted to the Public Service Commission for resolution.

Energy Efficiency Standards for Certain Types of Lighting

Chapter 564 of 2022 (the Maryland Efficiency Standards Act) established requirements for MEA related to minimum energy efficiency standards for a number of products, including high color rendering index fluorescent lamps. MEA is authorized to adopt standards for certain products and is required to adopt specified standards for other products.

State Expenditures: General fund expenditures for MDE increase by \$200,000 in fiscal 2024 only for contractual services to develop the outdoor lighting standards. MDE notes that the factors that must be considered when developing the standards are broad and involve several disciplines that are not traditionally within MDE's regulatory realm and that current staff do not have the expertise to develop the standards. Therefore, contractual assistance is necessary. This estimate assumes that MDE takes the lead on developing the standards.

SHA and MDH advise they can consult with MDE in developing the standards using existing budgeted resources. It is assumed that MEA can also consult with MDE using existing budgeted resources, although MEA did not respond to a request for information regarding the fiscal effect of the bill.

Any impact on State agencies due to the adoption of the standards depends on the standards developed and cannot be predicted. However, the Department of General Services (DGS), which is responsible for more than half of the lighting of State buildings and facilities, advises that it already follows strict lighting specifications or standards issued through the Green Purchasing Committee. DGS does not anticipate that complying with MDE's standards will be any more expensive or difficult.

Local Expenditures: Local expenditures and operations may be affected depending on the standards adopted pursuant to the bill. However, a reliable estimate of any such impact cannot be made at this time because the impact depends on the standards developed, which cannot be predicted. The Maryland Municipal League notes that the standards could require significant upgrades to municipal lighting apparatus, which would increase municipal expenditures. On the other hand, the Maryland Association of Counties does not anticipate that the bill has a meaningful impact on county finances.

Small Business Effect: Small businesses may be affected by the standards adopted pursuant to the bill. However, a reliable estimate of any such impact cannot be made at this time because the impact depends on the standards developed, which cannot be predicted.

Additional Comments: MEA administers the [Streetlight and Outdoor Lighting Efficiency Program](#) to make grants available to eligible entities to defray the cost of replacing outdated, less efficient pole-mounted fixtures used for street lighting, parking lot illumination, parks, athletic fields, and other outdoor lighting systems, along with implementing certain lighting controls. Eligible applicants include Maryland nonprofit organizations, State agencies, local governments, public and private schools, and community colleges.

A 2020 [report](#) procured by MEA contains additional background and context on the issue of LED street lighting equipment conversions.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Association of Counties; Maryland Municipal League; Maryland Energy Administration; Maryland Department of the Environment; Department of General Services; Maryland Department of Health; Maryland Department of Transportation; Department of Legislative Services

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