

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1038 (Delegate Solomon, *et al.*)
 Environment and Transportation

Transportation - Highways - Tourist Area and Corridor Signage Program

This bill codifies and alters the Maryland Tourist Area and Corridor (TAC) Signing Program, which is currently administered by the State Highway Administration (SHA). Under the bill, SHA must collaborate with the Department of Commerce to administer the program and establish an Eligibility Committee to review attraction applications. For fiscal 2025, the Governor must include in the annual budget bill an appropriation of \$350,000 to the program.

Fiscal Summary

State Effect: No effect in FY 2024. Transportation Trust Fund (TTF) expenditures increase by \$350,000 in FY 2025 due to the mandated appropriation for the program; future years assume continued program funding at that level, although ongoing program funding is discretionary. General fund expenditures increase by \$82,500 in FY 2025; future years reflect ongoing costs. Revenues are not affected. **This bill establishes a mandated appropriation for FY 2025.**

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	82,500	79,200	82,800	87,100
SF Expenditure	0	350,000	350,000	350,000	350,000
Net Effect	\$0	(\$432,500)	(\$429,200)	(\$432,800)	(\$437,100)

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

Local Effect: Local government finances and operations are not materially affected.

Small Business Effect: Minimal overall, but potential meaningful impact for any small business that can advertise more effectively as a result of the bill.

Analysis

Bill Summary:

Maryland Tourist Area and Corridor Signage Program – Generally

The stated purpose of the program is to create a system of supplemental guide signs to direct motorists to eligible individual attractions by directing the motorists first to groups of attractions. The Eligibility Committee must develop standards and procedures for determining the eligibility of an attraction for signing. If approved, SHA must investigate whether there is space available to sign for the attraction. Signing is subject to space availability based on SHA regulations and requirements.

If SHA determines that signing is feasible, SHA must prepare a signing plan for Commerce to review. In reviewing a plan, Commerce may consult with other State agencies and offices. If Commerce approves a signing plan, SHA must install each sign included in the plan. An applicant and the program must equally share the costs of constructing and installing each sign included in the signing plan.

Attraction Eligibility

To be eligible for signing through the program, an attraction must meet specified criteria, including, among other things, that the attraction (1) provide recreational, historical, cultural, or leisure activities to the public; (2) be open to random daily visitation without advanced reservations or a required extended attendance; (3) be open at least a specified number of hours and days each week; (4) provide public access to onsite restrooms, water, telephones, and parking; and (5) be open at least eight months each year (though this requirement may be waived by the Eligibility Committee for seasonal attractions).

The Eligibility Committee may approve an attraction that does not meet all of the eligibility requirements if the committee determines that the attraction is important to the State or local economy. A destination approved under this provision must be listed on the program's website.

To be eligible for signing, an attraction may not, based on a determination by the Eligibility Committee, already be well-signed on a tourist area corridor.

Use of Generic Symbols for Signs

The following categories of attractions are eligible for signing with generic symbols approved for use: (1) visitor centers; (2) golf courses; (3) antiques rows; (4) marinas; (5) wineries; (6) breweries and distilleries, subject to specified requirements; and (7) any additional category identified by the Eligibility Committee.

Current Law: 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/noise 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.

SHA currently administers a TAC Signing Program, which is intended to create a system of supplemental guide signs to direct motorists to attractions in the State. Under the program, and if space is available, an attraction may have a mainline sign directly on a major highway, a sign on the appropriate off-ramp, and, finally, a series of trailblazer markers that lead a driver directly to the attraction. Program signs exist alongside other directional signs, such as destination signs, specific services signs, and history signs. The fiscal 2024 budget as introduced does not include any funding for the program.

State Expenditures: This analysis assumes that there is no effect in fiscal 2024, despite the bill's October 1, 2023 effective date. TTF expenditures increase by \$350,000 in fiscal 2025 due to the mandated appropriation for the program. This assumes that, although not specified by the bill, the mandated appropriation is met by using special funds from TTF (and not general funds). In future years, program funding is discretionary, but this analysis assumes that ongoing program funding of \$350,000 annually from TTF is provided for the program.

General fund expenditures increase by \$82,537 in fiscal 2025, which assumes a July 1, 2024 hiring date for new staff in Commerce, concurrent with the timing of the mandated appropriation. This estimate reflects the cost of hiring one administrator for Commerce to collaborate with SHA and review and approve signage plans. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$73,852
Operating Expenses	<u>7,685</u>
Total FY 2025 GF Expenditures	\$82,537

Future year general fund expenditures reflect a salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

SHA can likely implement the bill's changes using existing staff.

Additional Information

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

Designated Cross File: SB 734 (Senator Zucker) - Finance.

Information Source(s): Department of Commerce; Maryland Department of Transportation; Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2023
rh/lgc

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