

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1508 (Delegate Nawrocki, *et al.*)
Environment and Transportation

State Highway Administration - Highway Work Permits - Notice

This bill requires the State Highway Administration (SHA), on receipt of an application for a permit to complete specified types of work on a State highway, to immediately provide notice of the application to each member of the General Assembly who represents the State legislative district in which the proposed work is to be performed. The notice must include (1) the name of the applicant; (2) the location of the proposed work; (3) the expected starting date for the proposed work; and (4) a brief description of the nature of the proposed work. In addition, the notice must be submitted in accordance with § 2-1257 of the State Government Article. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase, likely by several hundred thousand dollars annually beginning in FY 2027, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

State Highway Work Permits

SHA must construct, reconstruct, and repair State highways as necessary and maintain them in good condition. Unless a person has a permit from SHA, a person may not:

- make an opening in any State highway;
- place any structure on any State highway;
- change or renew any structure placed on any State highway;
- dig up any State highway for any purpose, including the placement of pipes, sewer, poles, wires, or rails;
- plant or remove any tree on any State highway; or
- place any obstruction or improvement on any State highway.

If any such work is permitted by SHA, the work must be performed to the satisfaction of SHA and under its supervision. The person to whom the permit is issued or by whom the work is done must pay the cost of replacing the highway in as good a condition as before the work was done.

Submissions of Notifications to the General Assembly

Section 1257 of Title 2 of the State Government Article requires that for any report, study, or notification that an official or unit of State government intends to distribute or submit to the General Assembly or to any committee, staff agency, or employee of the General Assembly, the official or unit must:

- submit one copy to the President of the Senate and one copy to the Speaker of the House in the format requested by the President and Speaker;
- submit five printed copies to the library of the Department of Legislative Services (DLS); and
- in the case of a publication to be distributed to a committee of the General Assembly, (1) unless the publication is being submitted by the committee specifically required by law, obtain approval for the distribution from the committee chair and (2) comply with the distribution requirements of the committee.

State Expenditures: TTF expenditures increase, likely by several hundred thousand dollars annually beginning in fiscal 2027, to send the required notes. SHA cannot do so with existing resources. SHA processes more than 16,000 permit applications each year, and its existing intake process is handled only by a limited number of staff (generally, engineers who approve and oversee the permitted work) at SHA's seven district offices. Moreover, many of the district offices do not have full-time administrative staff that could submit the required notices and handle any related correspondence. Accordingly, the bill – in large part due to the requirement to provide notice *immediately on receipt of a permit application* (rather than on issuance of a permit) – significantly increases SHA's workload.

Accordingly, SHA is likely to incur (1) ongoing staffing and/or consultant costs for each of its seven district offices beginning in fiscal 2027; (2) a one-time programming cost of

approximately \$125,000 in fiscal 2027 to update its permit application system; and (3) ongoing mailing costs of approximately \$30,000 annually beginning in fiscal 2027. A preliminary analysis by SHA estimates that, when accounting for staffing and/or consultant costs, TTF expenditures could increase by more than \$800,000 in fiscal 2027 and by more than \$600,000 annually thereafter. However, DLS cannot independently verify this estimate and notes that, over time, SHA may be able to develop a more centralized, efficient, and/or automated process that could substantially reduce ongoing administrative costs.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - March 11, 2026
jg/lgc

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