



Montgomery County

Office of Intergovernmental Relations

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SB 376

DATE: February 15, 2022

SPONSOR: Senator Lee

ASSIGNED TO: Finance

CONTACT PERSON: Melanie Wenger

POSITION: SUPPORT (Montgomery County Department of Transportation)

County and Municipal Street Lighting Investment Act

Senate Bill 376 enables counties and municipalities to purchase street lighting equipment at fair market value from the equipment owner. This bill also empowers counties, through their condemnation powers, to acquire property in the event an agreement is not reached and to request the removal of equipment that is not purchased by the jurisdiction. Finally, the bill directs the electric utilities to file tariffs with the Public Service Commission that only include electrical distribution fees, which would allow the local government to choose its own energy supplier, an option available to most other consumers.

The Montgomery County Department of Transportation supports the environmental and economic goals sought by this legislation. Other jurisdictions, such as in California and Rhode Island, have enabled local governments to purchase street lighting technology. In implementing similar regulations, these jurisdictions have observed lower maintenance costs (due to lower overhead), decreased energy usage, and improved reliability because of the installation of LED bulbs. The Department also supports the additional flexibility this legislation would provide to jurisdictions interested in adopting these practices.

The potential benefits of this enabling legislation would need to be weighed against the assumption of certain risks. These would include taking on the responsibility of updating old equipment or incurring higher repair and maintenance costs than anticipated. Therefore, as an alternative, the sponsor may want to consider requesting the Public Service Commission to establish efficiency standards for the electric companies who currently own the street lighting equipment.

With the above points in mind, Montgomery County Department of Transportation supports Senate Bill 376.