



Montgomery County

Office of Intergovernmental Relations

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HB 459

DATE: March 28, 2023

SPONSOR: Delegate Kaufman, *et al.*

ASSIGNED TO: Education, Energy, and the Environment

CONTACT PERSON: Melanie Wenger

POSITION: SUPPORT (Department of Transportation)

Public Utilities – Street Lighting Equipment – Acquisitions and Reporting (County and Municipal Street Lighting Investment Act)

House Bill 459, as amended, enables counties and municipalities to purchase street lighting equipment at fair market value from the equipment owner. This bill 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. It 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. Finally, the bill requires that an investor-owned utility file a report by July 1, 2024, identifying the number of LED streetlights relative to the total number of streetlights owned or maintained by the utility.

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, particularly a number of municipalities in Montgomery County, who are interested in adopting these practices. However, the Department would note that the amendments substituting the use of “fair market value” for “net book value” to establish the purchase price may create additional hurdles for jurisdictions that would like to take advantage of this legislation.

Certainly, 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, the Montgomery County Department of Transportation supports House Bill 459.