
March 2, 2023

The Honorable Kumar P. Barve
Chairman, Environment and Transportation Committee
251 House Office Building
Annapolis, MD 21401

***RE: Letter of Information – House Bill 1038 – Transportation – Highways – Tourist Area
Corridor Signage Program***

Dear Chair Barve and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 1038 but offers the following information for the Committee's consideration.

House Bill 1038 requires the Governor to include an appropriation of \$350,000 in the fiscal year 2025 budget for the Tourist Area Corridor Signage Program (TAC). The bill also requires the MDOT State Highway Administration (MDOT SHA) and Maryland Department of Commerce to establish an Eligibility Committee to develop standards and procedures for determining eligibility for the program. House Bill 1038 also seeks to codify various eligibility requirements and criteria in determining participation in the program. Finally, House Bill 1038 would give the Maryland Department of Commerce review and approval authority of signage plans on the SHA right-of-way.

The SHA launched the TAC program to inform motorists of eligible recreational, cultural or historical tourism sites. The eligibility criteria for the program were based on federal regulations and guidelines, as well as successful TAC programs of other states. The TAC Eligibility Committee has representation from several agencies and organizations, including SHA and Maryland Department of Commerce, and it uses the existing eligibility criteria to determine which business and attractions will participate in the program. Businesses and attractions apply for the program on a county-by-county basis, which allows for local involvement and feedback from various stakeholders within each county.

The TAC program has a history of regulatory challenges with the Federal Highway Administration (FHWA) as they scrutinize its compliance with federal regulations. The TAC program is regulated by federal laws and regulations that govern highway signs, including the Manual on Uniform Traffic Control Devices (MUTCD), and it must remain compliant or risk the loss of federal funding. Federal funds are critical to SHA's capital program and any reductions would significantly impact SHA's ability to deliver projects.

The Honorable Kumar Barve
Page Two

Due to the lack of federal support, the program is solely supported by State funds. Prior to funding challenges, 17 counties received their initial implementation of TAC signage; the total cost for the initial round of TAC signs for the 17 counties was roughly \$7.85 million. To complete the remaining 6 counties, SHA estimates a cost of \$7 million, taking into account the increased cost of material, products, and labor since the initial implementation of the first 17 counties. This estimate includes expenses related to planning, design, and construction of the TAC signs for the remaining 6 counties. In addition to the actual cost of the fabrication of a sign, which is dependent on the design, SHA accounts for construction costs such as lane/shoulder closure for installation as well as mobilization/demobilization efforts for the projects. Additionally, if a TAC sign will be placed outside of SHA right-of-way, there are costs associated with right-of-entry/memorandum of understanding coordination with property owners and/or local jurisdictions.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating House Bill 1038.

Respectfully submitted,

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