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March 8, 2023

The Honorable Melony Griffith  
Chair, Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis MD 21401

***RE: Letter of Information – Senate Bill 734 – Transportation – Highways – Tourist Area  
Corridor Signage Program***

Dear Chair Griffith and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 734 but offers the following information for the Committee’s consideration.

Senate Bill 734 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 (SHA) and Maryland Department of Commerce to establish an Eligibility Committee to develop standards and procedures for determining eligibility for the program. Senate Bill 734 also seeks to codify various eligibility requirements and criteria in determining participation in the program. Finally, Senate Bill 734 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 are not supportive of the program and determined it is not compliant 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 potential loss of federal funds to the capital program is significant. In 2018, the New York State Department of Transportation (NYSDOT) spent \$8 million dollars on signage across the State. FHWA informed that NYSDOT that they would withhold \$14 million in federal formula funding because of road signs that were not in compliance with the MUTCD; in response, NYSDOT had to remove the signs. The NYSDOT had submitted an experimentation request to FHWA to review the signs and the request was denied.

In the early stages of the TAC Program, SHA submitted an experimentation request to FHWA and conducted further research and human factor studies, which FHWA denied. FHWA has identified issues with the Maryland Flag pictograph used on TAC signs and the use of some generic symbols. The antique row and winery symbols used in the program are non-standard generic symbol signs which have not received formal human factors research or approval by FHWA. In addition, as there has been requests for TAC to include breweries and distilleries, the MUTCD does not include existing generic symbols for these types of attractions. The inclusion of these attractions would require a formal request to FHWA for experimentation, which likely would not be approved given their lack of support for the program.

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, considering 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 Senate Bill 734.

Respectfully submitted,

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