

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 481 (Delegate Grammer)
Environment and Transportation

Transportation - Commercial Signs - Penalty

This bill increases the maximum civil penalty (from \$25 per commercial sign to \$1,000 per commercial sign) for placing or maintaining a commercial sign within a State highway right-of-way without State Highway Administration (SHA) authorization.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures and revenues increase, potentially significantly, beginning in FY 2021. The District Court can handle any increase in its caseload with existing resources.

Local Effect: Local government expenditures and revenues may increase beginning in FY 2021.

Small Business Effect: Minimal.

Analysis

Current Law/Background: SHA is responsible for more than 5,200 miles or approximately 16,800 lane miles of road, 2,500 bridges, 3,500 small stream crossing structures, and 80 miles of sound barriers in the State. It also has responsibility for planning, designing, constructing, and maintaining these roads and bridges to safety and performance standards while considering sociological, ecological, and economic concerns.

A person may not place or maintain signs on State highway rights-of-way without SHA authorization. SHA, a law enforcement officer, or the government of the county or municipal corporation in which the sign is located is expressly authorized to remove and

destroy such a sign without resorting to legal proceedings. Specific to commercial signs, the entity who removed/destroyed the sign may then collect a civil penalty of up to \$25 for each commercial sign from the person who placed or maintained the sign and seek an injunction against the person in a civil action in the District Court.

SHA, a county, or a municipal corporation may only enforce the prohibition by issuing a warning for the first three months after removing an illegal sign and must enforce the prohibition on a viewpoint and content neutral basis. The presence of a sign within a State highway right-of-way is evidence that the sign was placed or maintained at the direction of, or with the consent and approval of, the person whose name, business, location, or product representation is displayed on the sign.

SHA advises that each of its seven organizational districts removes at least 1,000 illegal signs each year, with some districts removing significantly more illegal signs. For example, SHA District 5 (which includes Anne Arundel, Calvert, Charles, and St. Mary's counties) removed 8,400 illegal signs in 2019.

State Fiscal Effect: SHA advises that it generally does not pursue the existing civil penalty for commercial signs due to the significant administrative burden involved in collecting a relatively small penalty (a maximum of \$25 per commercial sign). Specifically, to enforce the existing prohibition and collect civil penalties for violations, SHA must take photos of illegal signs, document their locations, prepare correspondence, and pursue the imposition of penalties. In addition, when pursuing civil penalties, SHA advises that it keeps any illegal signs and returns them to the owners after penalties are paid; given the number of signs SHA removes each year, doing so takes up a significant amount of space. As a result, SHA reports that it typically just removes and disposes of illegal signs.

Under the bill, however, because the maximum civil penalty is increased to \$1,000 per sign, SHA is likely to more proactively pursue violators to collect civil penalties. Accordingly, the bill's changes likely result in an increase in TTF expenditures relating to enforcement and an increase in TTF revenues from civil penalties collected. It is assumed that the *net effect* is an increase in TTF revenues. Although the overall magnitude of any impact is unknown, based on the number of illegal signs in the State, it could be significant. Of course, the increase in the maximum penalty may also result in a deterrent effect and reduce violations.

Local Fiscal Effect: A local government is authorized to remove and destroy a sign in its own jurisdiction that is illegally placed on SHA's right-of-way and to collect the civil penalties imposed. Therefore, similar to the bill's effect on State finances, local government expenditures and revenues increase to the extent that local governments increase enforcement and collect additional penalties under the bill. Of course, as noted

above, the increase in the maximum penalty may also result in a deterrent effect and reduce violations.

Additional Information

Prior Introductions: HB 1230 of 2019 received an unfavorable report from the House Environment and Transportation Committee.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Judiciary (Administrative Office of the Courts); Department of State Police; Anne Arundel, Charles, Frederick, and Montgomery counties; Maryland Association of Counties; City of Havre de Grace; Maryland Municipal League; Department of Legislative Services

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