

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 131

(Senator Simonaire, *et al.*)

Finance

Environment and Transportation

State Highways - Commercial Signs in Rights-of-Way - Penalties

This bill increases the maximum civil penalty (from \$25 per sign to \$100 per sign) for affixing a commercial sign to a State highway sign, signal, or marker within a State highway right-of-way without State Highway Administration (SHA) authorization.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues may increase minimally beginning in FY 2021. Expenditures are not materially affected. The bill is not anticipated to materially affect District Court caseloads.

Local Effect: Local government revenues may increase minimally beginning in FY 2021. Expenditures are not materially affected.

Small Business Effect: None.

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 \$100 per sign in cases where a sign is affixed to a State highway sign, SHA may more proactively pursue these violators to collect civil penalties. Accordingly, the bill may result in a minimal increase in TTF revenues from civil penalties collected.

It is assumed that any increase in enforcement activities undertaken by SHA in response to the bill does not materially affect TTF expenditures.

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 revenues, local government revenues may increase minimally to the extent that local governments collect additional penalties under the bill.

It is assumed that any increase in enforcement activities undertaken by local governments in response to the bill does not materially affect local expenditures.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Judiciary (Administrative Office of the Courts); Baltimore City; Harford and Montgomery counties; Department of Legislative Services

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