



BILL NO.: House Bill 628 and House Bill HB 712

TITLE: Street Lighting – Purchase of Equipment by Local Government and Tariff

POSITION: **SUPPORT**

DATE: February 23, 2011

COMMITTEE: Economic Matters

CONTACT: Andrea Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** House Bill 628 and HB 712. These bills would allow a local government to purchase street lighting equipment from an electric company either through an agreement that is reached with the electric company or through a condemnation proceeding. If equipment is purchased through a condemnation proceeding, the bill specifies items that must be considered by a jury in determining the fair market value of the lighting equipment. The bill would also require an electric company to develop a tariff for street lighting when the equipment is owned by a local government and attached to the utility pole owned by a public service company. In addition, HB 712 specifies requirements for a local government to acquire, maintain, or replace street lighting equipment. Electric companies must also adjust tariff schedules to reflect specified changes.

HB 628 and HB 712 seek a fair process for local governments to purchase street lighting equipment. Some local governments have attempted to negotiate with electric companies for the purchase of such equipment, but none have been able to reach an agreement on the terms of sale or the appropriate price. Although, both bills specify the items to be considered by a jury when determining the fair market value of street lighting through a condemnation proceeding, these items would also assist local government in negotiations with electric companies, possibly limiting the need for local governments to pursue condemnation. Should a local government decide to pursue condemnation, the jury has a clear list of items to consider, assuring a fair price is determined.

Regardless of the approach, MACo believes this bill could serve to stop the stalemates that have occurred thus far when local governments have expressed interest in purchasing street lighting equipment. For this reason, MACo would urge the Committee to give HB 628 and HB 712 a **FAVORABLE** report.