



House Bill 854

State Highway Administration – Relocation of Water and Sewer Lines – Cost Sharing

MACo Position: **SUPPORT**

Date: April 5, 2016

To: Finance Committee

From: Andrea Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** HB 854. This bill would require the State Highway Administration (SHA) to notify a local jurisdiction of the costs associated with relocating a water or sewer line due to a federal project and investigate funding sources to help the local jurisdiction meet its share of the cost. The bill also authorizes a payment plan to be developed to assist with paying the cost.

The intent of HB 854 is to ease the cost borne by local jurisdictions for the relocation of water and sewer lines that may be required by federal facilities relocating in Maryland, such as those being performed under the Base Realignment and Closure Act (BRAC) or other federal facility relocation. As state roadways are being expanded or newly constructed to accommodate growth around military installations, such as those in Fort Meade or Aberdeen, local governments are being required to cover the costs of relocating water and sewer lines.

Under current law, SHA is required to reimburse a publicly owned utility for the cost of relocating any facility of the publicly owned utility if 1) federal funds are available to the state for certain types of roadways and interstate highways; and 2) the payment would be required for the relocation of a facility of a nonpublicly owned utility. These qualifications leave local governments with no avenue to seek reimbursement for the relocation of water and sewer lines around military installations, or other locations in which a federal facility may locate.

Local jurisdictions certainly incur additional expenses to provide services such as law enforcement, emergency management, and local infrastructure. These are ongoing and material costs, even when the federal project is welcome. With counties bearing the brunt of these ongoing costs, assistance from SHA to investigate funding sources and the establishment of a payment plan to assist local jurisdictions with paying these costs seems reasonable.

For this reason, MACo would urge the Committee to give HB 854 a **FAVORABLE** report.