



House Bill 920

State Highway Administration – Relocation of Water and Sewer Lines – Payment of Costs

MACo Position: **SUPPORT**

To: Environment and Transportation Committee

Date: March 12, 2015

From: Andrea Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** HB 920. This bill would require the State Highway Administration (SHA) to pay for costs when a federal project drives the relocation of a water or sewer line of a publicly owned utility. That cost is to be considered part of the cost of the federal project and must be included in the Consolidated Transportation Program.

The intent of HB 920 is to provide reimbursement for the relocation of water and sewer lines to local governments affected by federal projects, such as those being performed under the Base Realignment and Closure Act (BRAC). 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.

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. The fiscal note indicates a cost to relocate water and sewer lines associated with current BRAC projects of \$1.6 million. With counties bearing the brunt of these ongoing costs, it seems reasonable to incorporate the costs of relocating water and sewer lines into the overall cost of the federal project.

MACo believes HB 920 represents a reasonable approach for the reimbursement of one-time costs associated with the relocation of water and sewer lines due to a federal project and would urge its **FAVORABLE** report.