

# SENATE BILL 431

R1

7lr1083

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By: **Senators Klausmeier, Eckardt, Edwards, Ready, and Salling**

Introduced and read first time: January 27, 2017

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – State Highway Administration – Sale or Lease of Highway**  
3 **Naming Rights**

4 FOR the purpose of authorizing the State Highway Administration to sell or lease to a  
5 private entity the naming rights for a State highway or any part of a State highway;  
6 requiring the term of a contract for the sale or lease of naming rights for a State  
7 highway to be at least a certain period; prohibiting the Administration from selling  
8 or leasing highway naming rights under this Act unless the Administration makes a  
9 certain determination regarding compliance of the proposed use of the naming rights  
10 with federal regulations and the distribution of certain federal funds; providing that  
11 a sale or lease of naming rights for a State highway may not be construed to require  
12 that any highway sign or mailing address be altered; authorizing a private entity  
13 that purchases or leases the naming rights for a State highway to erect certain  
14 outdoor signs along the highway; requiring a private entity that erects outdoor signs  
15 along a State highway under this Act to pay all costs associated with the signs;  
16 requiring outdoor signs erected by a private entity along a State highway to comply  
17 with certain requirements; requiring proceeds from the sale or lease of naming rights  
18 for a State highway to be credited to the Transportation Trust Fund; requiring the  
19 Administration to adopt certain regulations; defining certain terms; and generally  
20 relating to the sale or lease of naming rights for State highways.

21 BY repealing and reenacting, without amendments,  
22 Article – Transportation  
23 Section 8–604  
24 Annotated Code of Maryland  
25 (2015 Replacement Volume and 2016 Supplement)

26 BY adding to  
27 Article – Transportation  
28 Section 8–604.1  
29 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2015 Replacement Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Transportation**

8–604.

The Administration may name or rename any State highway.

**8–604.1.**

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) “ERECT” HAS THE MEANING STATED IN § 8–701 OF THIS TITLE.**

**(3) “OUTDOOR SIGN” HAS THE MEANING STATED IN § 8–701 OF THIS TITLE.**

**(4) “PRIVATE ENTITY” INCLUDES AN INDIVIDUAL, A CORPORATION, A GENERAL OR LIMITED PARTNERSHIP, A LIMITED LIABILITY COMPANY, A JOINT VENTURE, A BUSINESS TRUST, A PUBLIC BENEFIT CORPORATION, A NONPROFIT ENTITY, OR ANY OTHER BUSINESS ENTITY.**

**(B) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE ADMINISTRATION MAY SELL OR LEASE TO A PRIVATE ENTITY THE NAMING RIGHTS FOR A STATE HIGHWAY OR ANY PART OF A STATE HIGHWAY.**

**(II) THE ADMINISTRATION MAY NOT SELL OR LEASE TO A PRIVATE ENTITY THE NAMING RIGHTS FOR A STATE HIGHWAY UNLESS THE ADMINISTRATION DETERMINES THAT THE PROPOSED USE OF THE NAMING RIGHTS AND SIGNAGE ASSOCIATED WITH THE PROPOSED USE OF THE NAMING RIGHTS ARE IN COMPLIANCE WITH FEDERAL REGULATIONS GOVERNING THE DISTRIBUTION OF FEDERAL HIGHWAY FUNDS TO THE STATE.**

**(2) THE TERM OF A CONTRACT THAT THE ADMINISTRATION ENTERS INTO UNDER THIS SUBSECTION SHALL BE AT LEAST 1 YEAR.**

**(C) A SALE OR LEASE OF NAMING RIGHTS UNDER THIS SECTION IS SOLELY FOR PUBLIC RELATIONS OR ADVERTISING PURPOSES AND MAY NOT BE CONSTRUED TO REQUIRE THAT ANY OFFICIAL STATE HIGHWAY SIGN OR MAILING ADDRESS BE ALTERED.**

1           **(D) (1) A PRIVATE ENTITY THAT PURCHASES OR LEASES NAMING RIGHTS**  
2 **FOR A STATE HIGHWAY OR ANY PART OF A STATE HIGHWAY UNDER THIS SECTION**  
3 **MAY ERECT OUTDOOR SIGNS ALONG THE HIGHWAY FOR THE PURPOSE OF**  
4 **ADVERTISING THE DESIGNATION AND THE PRIVATE ENTITY.**

5           **(2) ALL COSTS ASSOCIATED WITH OUTDOOR SIGNS ERECTED UNDER**  
6 **THIS SUBSECTION SHALL BE PAID BY THE PRIVATE ENTITY THAT PURCHASES OR**  
7 **LEASES THE NAMING RIGHTS FOR A STATE HIGHWAY, INCLUDING THE COSTS OF**  
8 **CONSTRUCTION, INSTALLATION, OPERATION, MAINTENANCE, AND REMOVAL OF THE**  
9 **SIGNS.**

10           **(3) OUTDOOR SIGNS UNDER THIS SUBSECTION:**

11                   **(I) MAY NOT BE ERECTED WITHOUT PRIOR APPROVAL BY THE**  
12 **ADMINISTRATION;**

13                   **(II) MAY NOT DETRACT FROM THE SAFETY OF THE TRAVELING**  
14 **PUBLIC, AS DETERMINED BY THE ADMINISTRATION;**

15                   **(III) SHALL BE AESTHETICALLY APPROPRIATE, AS DETERMINED**  
16 **BY THE ADMINISTRATION;**

17                   **(IV) MAY NOT INCLUDE A NAME THAT, IN THE JUDGMENT OF THE**  
18 **ADMINISTRATION:**

19                           1.   **IS PROFANE, OBSCENE, OR VULGAR;**

20                           2.   **IS SEXUALLY EXPLICIT OR GRAPHIC;**

21                           3.   **RELATES TO EXCRETORY FUNCTIONS;**

22                           4.   **IS DESCRIPTIVE OF THE GENITALS OR OTHER**  
23 **INTIMATE PARTS OF A BODY;**

24                           5.   **RELATES TO OR DESCRIBES ILLEGAL ACTIVITIES OR**  
25 **SUBSTANCES;**

26                           6.   **CONDONES OR ENCOURAGES VIOLENCE; OR**

27                           7.   **IS SOCIALLY, RACIALLY, OR ETHNICALLY OFFENSIVE**  
28 **OR DISPARAGING; AND**

1                   **(V) ARE SUBJECT TO THE REQUIREMENTS OF SUBTITLE 7 OF**  
2 **THIS TITLE AND ANY OTHER LAW GOVERNING OUTDOOR SIGNS.**

3                   **(E) PROCEEDS FROM THE SALE OR LEASE OF NAMING RIGHTS UNDER THIS**  
4 **SECTION SHALL BE CREDITED TO THE TRANSPORTATION TRUST FUND.**

5                   **(F) THE ADMINISTRATION SHALL ADOPT REGULATIONS TO IMPLEMENT**  
6 **THIS SECTION.**

7                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
8 October 1, 2017.