

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6512-01
Bill No.: HB 2278
Subject: Transportation; Department of Transportation; Utilities
Type: Original
Date: April 14, 2014

Bill Summary: This proposal specifies that the Department of Transportation utility corridor shall be 12 feet in width and that utilities in the corridor cannot charge for relocation within the right-of-way.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Road Fund	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 227.245 - Department of Transportation Utility Corridor:

Officials from the **Department of Transportation (DOT)** assume the Highway and Transportation Commission would not have enough land and would need to purchase an additional 12' of right-of-way to meet the requirements of this proposal.

DOT assumes if the utility corridor is widened within DOT's existing right of way, many of DOT's existing signs will be within the proposed corridor.

DOT assumes this proposal will require utilities to work around approximately 700,000 DOT signs. DOT installs or replaces approximately 30,000 signs a year. Many signs DOT is able to drive the post into the ground, but if the sign is placed within the designated utility corridor DOT would be required to hand dig these signs.

DOT assumes any sign dug by hand to avoid utility lines in the utility corridor will require additional maintenance staff, time, and material.

DOT assumes meeting the expansion requirements of this proposal would prevent the department from meeting funding obligations for normal roadway maintenance, and future expansion projects.

DOT notes, currently when utility lines are located within the DOT right-of-way corridor the utility company pays the, location, relocation or maintenance costs required from a transportation project.

Oversight assumes this proposal gives the Highway and Transportation Commission discretion to determine where the 12' utility corridor for utility facilities is located on the right-of-ways of highways in the state highway system. The amount of right-of-way MODOT owns varies within the states network of highways but is normally 6'.

Oversight assumes as funding is available, and transportation projects move forward; this proposal would require MODOT to purchase up to an additional 6' of right-of-way for the utility corridor. The cost of additional right-of-way is expected to be more than \$100,000 annually paid from the state Road Fund.

ASSUMPTION (continued)

Officials from the **Department of Economic Development** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
ROAD FUND			
Costs - DOT			
§ 227.245 - Additional right-of-way for 12' utility corridor	(More than <u>\$100,000</u>)	(More than <u>\$100,000</u>)	(More than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON THE ROAD FUND	(More than <u>\$100,000</u>)	(More than <u>\$100,000</u>)	(More than <u>\$100,000</u>)
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

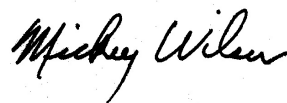
§ 227.245 - Department of Transportation Utility Corridor:

Currently, a utility corridor must be parallel to and within six feet of a normal right-of-way. This proposal specifies that the Department of Transportation utility corridor established for the placement of utility facilities on the right-of-way of highways in the state highway system must be 12' in width with the location determined by the Highways and Transportation Commission. The location, relocation, or maintenance of any utility within the utility corridor or the right-of-way of any highway must be paid for by the owner of the utility. A utility owner may not charge or hold the Department of Transportation or any property owner responsible for the cost associated with the location, relocation, or maintenance of any utility within the right-of-way.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Department of Economic Development



Mickey Wilson, CPA
Director
April 14, 2014

Ross Strobe
Assistant Director
April 14, 2014