

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4054H.03C  
 Bill No.: HCS for HB 2056  
 Subject: Utilities; Roads and Highways; Telecommunications; Cities, Towns, and Villages;  
 Transportation; Department of Transportation  
 Type: Original  
 Date: March 1, 2024

Bill Summary: This proposal requires municipalities and the Department of Transportation to reimburse non-rate regulated utilities for site relocation costs incurred due to road maintenance.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
State Road Fund	(Up to \$35,000,000)	(Up to \$35,000,000)	(Up to \$35,000,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Up to \$35,000,000)</b>	<b>(Up to \$35,000,000)</b>	<b>(Up to \$35,000,000)</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Missouri Department of Transportation (MoDOT)** state currently, if a utility sits in the state right-of-way without pre-existing land rights, the utility owner bears the cost for adjustments to facilitate highway maintenance and construction. The proposed bill would render all utility adjustments reimbursable, potentially incurring millions in annual costs to the State Road Fund. Based on relocation information from previous years statewide, MoDOT estimates annual negative impact to the State Road Fund of \$30 to \$35 million.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect a fiscal impact of “Up to \$35 million” to MoDOT per fiscal year.

Officials from the **City of Kansas City** assume this proposal has a negative fiscal impact of an indeterminate amount.

**Oversight** assumes local political subdivisions could incur costs related to this proposal; therefore, Oversight will reflect a fiscal impact of “Unknown” to local political subdivisions.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>STATE ROAD FUND</b>			
<u>Cost – MoDOT – reimbursing costs of non-rate regulated utility providers for facility relocation</u>	<u>(Up to \$35,000,000)</u>	<u>(Up to \$35,000,000)</u>	<u>(Up to \$35,000,000)</u>
<b>ESTIMATED NET EFFECT ON THE STATE ROAD FUND</b>	<b><u>(Up to \$35,000,000)</u></b>	<b><u>(Up to \$35,000,000)</u></b>	<b><u>(Up to \$35,000,000)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost – reimbursing costs of non-rate regulated utility providers for facility relocation</u>	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	(Unknown)	(Unknown)	(Unknown)

FISCAL IMPACT – Small Business

Small non-rate regulated utility providers could be positively impacted as a result of this proposal.

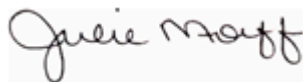
FISCAL DESCRIPTION

This bill requires municipalities and the Missouri Department of Transportation to reimburse non-rate regulated utility providers, including telecommunications, Internet, and cable providers, for facility relocation due to road maintenance or construction.

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

Missouri Department of Transportation  
 City of Kansas City



Julie Morff  
 Director  
 March 1, 2024



Ross Strobe  
 Assistant Director  
 March 1, 2024