

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1859H.011
 Bill No.: HB 661
 Subject: Utilities; Roads and Highways; Telecommunications; Cities, Towns, and Villages;
 Transportation; Department of Transportation
 Type: Original
 Date: February 10, 2025

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

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
State Road Fund	(Up to \$35,000,000)	(Up to \$35,000,000)	(Up to \$35,000,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Up to \$35,000,000)	(Up to \$35,000,000)	(Up to \$35,000,000)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§67.1849, 67.2707, 71.340, 226.220, 226.224, 227.558, 227.559 & 229.360 – Reimbursement of Relocation Expenses of Non-Rate-Regulated Utilities

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 2026 (10 Mo.)	FY 2027	FY 2028
STATE ROAD FUND			
<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>
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>(Up to \$35,000,000)</u>	<u>(Up to \$35,000,000)</u>	<u>(Up to \$35,000,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> – reimbursing costs of non-rate regulated utility providers for facility relocation	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Unknown)	(Unknown)	(Unknown)

FISCAL IMPACT – Small Business

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

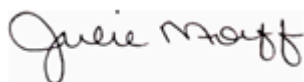
FISCAL DESCRIPTION

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



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 Director
 February 10, 2025



Jessica Harris
 Assistant Director
 February 10, 2025