

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1859H.02P
Bill No.: Perfected HCS for HB 661
Subject: Utilities; Roads and Highways; Telecommunications; Cities, Towns, and Villages;
Transportation; Department of Transportation
Type: Original
Date: March 27, 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 (0320)	(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** assumed this proposal has a negative fiscal impact of an indeterminate amount.

Officials from the **City of O’Fallon** state the provisions being added to sections 71.340, 226.200 and 226.224 will cause the cities and counties to pay for relocating certain utilities for road projects. The estimated costs to the City of O’Fallon will vary from \$100,000 to \$250,000 each year. With the increase in utilities located in the ROW (like fiber optics) costs will grow ever higher for cities in the future.

Officials from the **City of Springfield** assume, based on the average cost of fiber relocation for a 600-foot city block, the estimated cost typically ranges from \$30,000 to \$40,000 per block.

In 2024, the City had projects on over 160 blocks that could have required communication service relocations. Of these, the City estimates that 85 blocks likely required some level of communication service relocation.

Using these estimates, the annual cost to the City could range from \$2.5 million to \$3.5 million.

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.

Officials from the **Metropolitan St. Louis Sewer District, Morgan County PWSD #2, Wayne County Public Water Supply District #2** and the **South River Drainage District** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not

have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

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 (0320)			
<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 – reimbursing costs of non-rate regulated utility providers for facility relocation</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

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
City of O'Fallon
City of Springfield
Metropolitan St. Louis Sewer District
South River Drainage District
Morgan County Public Water Supply District #2
Wayne County Public Water Supply District #2



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