

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4442S.01I
 Bill No.: SB 1018
 Subject: Internet and E-Mail; Telecommunications; Utilities; Political Subdivisions; State
 Departments
 Type: Original
 Date: March 4, 2024

Bill Summary: This proposal creates provisions relating to telecommunications.

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
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)
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 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§67.2715 – Relocation Costs for Telecommunication Companies

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 \$30-35 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 **Office of Administration - Budget and Planning (B&P)** state to the extent any additional reimbursements are required, state expenditures may increase.

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

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

Oversight notes §67.511 (as referenced in §67.2715 of the proposal) is not codified in statute.

Officials from the **Department of Commerce and Insurance**, the **Department of Economic Development** and the **Office of Administration** 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 cities and counties 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
STATE ROAD FUND			
<u>Cost – MoDOT – reimbursing costs of non-rate regulated utility providers for facility relocation §67.2715</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 2025 (10 Mo.)	FY 2026	FY 2027
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost – potential reimbursement to broadband or video service providers for relocation costs §67.2715</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 businesses who operate as broadband or video service providers could be impacted by this proposal.

FISCAL DESCRIPTION

Under the act, whenever the state or a municipality requires a broadband or a video service provider to relocate their telecommunications infrastructure installed for the purpose of delivering internet and video service to customers, the state or the municipality shall reimburse the internet and video service providers for all relocation costs.

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

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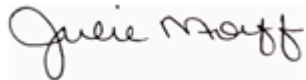
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SOURCES OF INFORMATION

Missouri Department of Transportation
Office of Administration - Budget and Planning
Kansas City
Department of Commerce and Insurance
Department of Economic Development
Office of Administration



Julie Morff
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March 4, 2024



Ross Strobe
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March 4, 2024