

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1151-02
Bill No.: SB 222
Subject: Contracts and Contractors; Political Subdivisions; Telecommunications
Type: Original
Date: February 13, 2015

Bill Summary: This proposal bans political subdivisions from requiring the removal or relocation of infrastructure owned by a communication service provider unless certain conditions are met.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development** and the **Attorney General's Office** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **City of Kansas City** assume there may be significant costs associated with the additional expenses to pay for relocation costs from the public right of way. Typical utility relocation costs are between 5% and 10% of a project costs (and for some projects it could be higher). The exact amount is impossible to ascertain at this time. Actual costs will depend on the extent of the relocation and the number of public improvements requiring the relocation.

Officials from the **County of St. Louis** assume based on a \$45 million dollar budget, the cost of this proposal would be \$250,000 per year.

Officials from the **City of Harrisonville** assume this proposal would have a negative fiscal impact of millions of dollars to relocate telecommunications infrastructure location in easements and right of ways created under the authority of a municipalities subdivision regulations.

Officials from the **County of Cole** assume this proposal would required the hiring of additional staff to manage the utility permit database and system, \$35,000 annually. In addition, costs associated with the relocation of utilities in right of ways, yearly average of \$50,000. Lastly, even if the county would enter into agreements with utilities to eliminate the county paying for the relocations, this would still create administrative requirements to manage the database and necessitate the hiring of additional staff.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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LOCAL POLITICAL SUBDIVISIONS

<u>Costs</u> - Potential increase to project costs	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal prohibits political subdivisions from requiring the removal or relocation of infrastructure owned by specified communication service providers when the infrastructure is on private land, public right-of-ways, or utility property, unless the political subdivision pays the reasonable costs for the removal or relocation.

The proposal will not apply when the political subdivision determines the infrastructure is in a state of disrepair and removal or relocation is necessary to preserve health and safety or if the communication service provider and the political subdivision have a franchise agreement governing removal and relocation practices.

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 Economic Development
Attorney General's Office
County of Cole
County of St. Louis
City of Kansas City
City of Harrisonville

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 13, 2015

Ross Strobe
Assistant Director
February 13, 2015