

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4816S.01I  
Bill No.: SB 1065  
Subject: Telecommunications; Utilities; Political Subdivisions; State Departments;  
Department of Transportation; Boards, Commissions, Committees, and Councils  
Type: Original  
Date: January 23, 2026

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Bill Summary: This proposal creates provisions relating to utility facility relocation.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
State Road Fund (1320)	Up to (\$48,500,000)	Up to (\$48,500,000)	Up to (\$48,500,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Up to (\$48,500,000)</b>	<b>Up to (\$48,500,000)</b>	<b>Up to (\$48,500,000)</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§§67.1849, 67.2707, 71.340, 226.220, 226.224, 227.558, 227.559, and 229.360 – Utility Facility Relocation**

Officials from the **Missouri Department of Transportation** state that currently, utilities are allowed to occupy the state right-of-way utility corridor at no cost but must bear the cost for adjustments needed for highway maintenance or construction. Utilities with pre-existing land rights are compensated for relocation. 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 an annual negative impact to the State Road Fund of \$48.5 million.

**Oversight** does not have information to the contrary. Therefore, Oversight will reflect a fiscal impact of “Up to \$48.5 million” to the State Road Fund (1320) per fiscal year.

Officials from the **Department of Commerce and Insurance** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Officials from the **City of Kansas City** state that the proposed legislation has a negative fiscal impact of an indeterminate amount.

In response to similar legislation, SB 489 (2025), officials from the **City of Liberty** assumed that this proposal would have a significant negative fiscal impact on the City. Requiring the City to reimburse telecommunication, cable and internet providers for facility relocation due to road maintenance or construction would make investments in the City's infrastructure cost-prohibitive and block future road expansion plans. It was estimated that this proposed legislation would add an additional 10-30% to the total project costs. A simple cross road pipe replacement could cost an extra \$10,000 to \$30,000 depending on the number of companies with facilities in that area, for a major roadway improvement project, the impact could easily be in the millions of dollars in increased cost.

In response to similar legislation, SB 489 (2025), officials from the **City of Osceola** assumed the proposal would have a fiscal impact but did not provide any additional information.

**Oversight** assumes local political subdivisions could incur costs related to this proposal and if multiple cities and counties enact the provisions of this proposal then the cost could be significant. Therefore, Oversight will reflect a fiscal impact of “Unknown” to local political subdivisions.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>STATE ROAD FUND (1320)</b>			
Cost – MoDOT (§§67.1849, 71.340, 226.220 & 226.224) Reimbursing costs of non-rate regulated utility providers for facility relocation. p.3	Up to (\$48,500,000)	Up to (\$48,500,000)	Up to (\$48,500,000)
<b>ESTIMATED NET EFFECT ON THE STATE ROAD FUND</b>	<b>Up to (\$48,500,000)</b>	<b>Up to (\$48,500,000)</b>	<b>Up to (\$48,500,000)</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
Cost – (§§67.1849, 71.340, 226.220 & 226.224) Reimbursing costs of non-rate regulated utility providers for facility relocation. p.3	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

#### FISCAL IMPACT – Small Business

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

#### FISCAL DESCRIPTION

The act modifies and creates new provisions relating to utility facility relocation.

Under the act, a county shall not perform a project in the public right-of-way that requires a nonrate regulated utility provider, as defined in the act, to relocate its facilities, unless the county reimburses the nonrate regulated utility provider for the relocation costs. A county shall be authorized to pay such facility relocation costs as part of the costs of the public right-of-way project. A county shall not be required to reimburse a nonrate regulated utility provider for facility relocation costs if the facilities were installed in violation of current law.

Currently, video service cabinets are required to be removed or relocated at the expense of the video service provider. Under the act, the cabinets are required to be removed pursuant to the provisions of the act or current law, as applicable.

A city, or an incorporated town, or village, shall not perform any road maintenance or construction project (road project) unless the city, or incorporated town or village reimburses any nonrate regulated utility provider that incurs costs for facility relocation due to such road project. A city, an incorporated town, or village shall be authorized to pay such facility relocation costs as part of the costs of the road project. A city, incorporated town, or village shall not be required to reimburse a nonrate regulated utility provider for facility relocation costs if the facilities were installed in violation of current law.

The State Road Fund shall be used for reimbursing nonrate regulated utility providers for any costs associated with facility relocation due to road maintenance, construction, or other right-of-way work activity.

The Department of Transportation shall reimburse nonrate regulated utility providers for any costs associated with facility relocation that are required due to road maintenance, construction, or other right-of-way work activity. The Department shall not be required to reimburse nonrate regulated utility providers for facility relocation costs if the facilities were installed in violation of current law.

Under the act, subject to certain exceptions, the removal and relocation of utility facilities as a result of construction projects required by the Highways and Transportation Commission shall be made at the expense of the owners unless otherwise provided by the Commission. Currently, if the owner fails to relocate the utility facilities, the cost of relocating the utility facilities shall be collected from the owner. Under the act, the cost of relocating the utility facilities shall be borne by the Commission or by the owner.

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 Commerce and Insurance

Missouri Department of Transportation

City of Kansas City

City of Liberty

City of Osceola



Julie Morff

Director

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Jessica Harris

Assistant Director

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