

GOVERNMENT REIMBURSEMENT FOR RELOCATION OF BROADBAND FACILITIES

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5016 as introduced
Sponsor: Rep. Eric Leutheuser
House Committee: Communications and Technology
Complete to 10-26-15

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5016 would amend Section 13 of Public Act 368 of 1925, which regulates the usage of public right of ways along roads, by requiring a local unit of government or the state Department of Transportation to reimburse an internet service provider (ISP) for relocation of the ISP's facilities under certain circumstances. The bill would take effect 90 days after the date it is enacted.

The bill would require a city, village, township, or county, or the state Department of Transportation, to reimburse an entity holding a license under the Michigan Telecommunications Act or a franchise under the Uniform Video Services Local Franchise Act for relocation costs if both of the following apply:

- (1) The city, village, township, or county or the state transportation department did either of the following:
 - Requested the entity to temporarily or permanently relocate its facilities.
 - Requested the entity to temporarily or permanently relocate its facilities to protect those facilities due to construction or other activity by the city, village, township, or county, or the state transportation department.(The second condition appears to be wholly contained within the first.)
- (2) The entity invests money in broadband infrastructure in this state.

If a city, village, township, or county or the state transportation department requests an entity to relocate facilities, the city, village, township, or county or the state transportation department would also be required to waive any permit fees or inspection fees including, but not limited to, any permit fee authorized under this section of the act.

If a city, village, township, or county or the state transportation department requests an entity to conduct any survey or study related to relocating facilities, the city, village, township, or county or the state transportation department must reimburse the entity for those survey or study costs.

A reimbursement of relocation costs by the government agency to an eligible entity shall be made as follows:

- 100% reimbursement for relocation costs, if the entity's facilities were placed in the public right-of-way less than five years before the date of the request to relocate those facilities.
- 75% reimbursement for relocation costs, if the entity's facilities were placed in the public right-of-way five years or more but fewer than nine years before the date of the request to relocate those facilities.
- 50% reimbursement for relocation costs, if the entity's facilities were placed in the public right-of-way nine years or more but less than 12 years before the date of the request to relocate those facilities.
- 25% reimbursement for relocation costs, if the entity's facilities were placed in the public right-of-way 12 years or more but less than 15 years before the date of the request to relocate those facilities.

The bill would define "relocation costs" as all costs for relocating an entity's facilities in the public right of way, including, but not limited to, boring costs and labor costs associated with that relocation.

"Broadband infrastructure" would be defined to refer to "all facilities, hardware, and software and other intellectual property necessary to provide broadband services in this state, including, but not limited to, voice, video, and data."

FISCAL IMPACT:

The bill would have a negative fiscal impact on the Department of Transportation (MDOT) and local units of government to the extent that MDOT or locals request that telecommunication or video services providers relocate their facilities; dependent upon how many providers have invested in broadband infrastructure, how often the relocation of facilities is requested, and how long the facilities have existed within the right-of-way. This information was not available as of the date that this analysis was drafted and, consequently, the magnitude of the negative fiscal impact is currently indeterminate.

Legislative Analyst: Josh Roesner
Fiscal Analyst: Paul B.A. Holland

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.