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Senate Bill 108 (as reported without amendment)
Sponsor: Senator Raymond E. Basham
Committee: Energy Policy and Public Utilities

CONTENT

The bill would amend the Metropolitan Extension Telecommunications Rights-of-Way Oversight (METRO) Act to revise the deadline by which a municipality could opt to receive funds under the Act.

The Act gives the METRO Authority the exclusive power to assess fees on telecommunication providers owning facilities in public rights-of-way within a municipality in a metropolitan area, to recover the costs of the providers' use of the rights-of-way. Except as otherwise provided, a provider must pay to the Authority an annual maintenance fee per linear foot of public right-of-way occupied by the provider's facilities. The Authority must allocate the fees to fund a mechanism to share the fees with cities, villages, and townships.

A municipality is not eligible to receive funds unless by December 31, 2003, it modified any fees charged to providers after the Act's effective date (11-1-02) relating to access to and usage of the rights-of-way to an amount not exceeding the amounts required under the Act. Under the bill, a municipality would have until December 31, 2007, to modify the fees.

Currently, a municipality is considered to have modified the fees if it adopted a resolution or ordinance, effective no later than January 1, 2004, approving the modification so that providers with telecommunication facilities in rights-of-way within the municipality's boundaries pay only the required annual maintenance fee. Under the bill, the ordinance would have to be effective by January 1, 2008. Also, if a municipality adopted a resolution after the distribution of funds for 2007, it would be eligible to receive funds for that year from funds available after the 2007 distribution date.

MCL 484.3113

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have an indeterminate effect on State expenditures and local unit revenue. The bill would change the distribution of fees received by the State under the Act to local units. Fees paid by providers to the State can be reduced by fees paid to local units that have not passed the necessary resolutions or ordinances by December 31, 2003. Passage of the resolutions or ordinances would result in the State's receipt of more revenue, which would increase the amount available for distribution to local units. However, the revenue is distributed to local units on a prorated basis and inclusion of additional local units under the distribution mechanism could change individual local units' shares of the total. As a result, distributions to the additional local units would increase and, depending on the additional fees received by the State, could reduce or increase the revenue distributed to other local units already receiving distributions.

Date Completed: 3-27-08

Fiscal Analyst: David Zin