

# Legislative Analysis



## **BROADBAND COMPANIES: ALLOW USE OF HIGHWAY RIGHTS-OF-WAY**

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

**Senate Bill 1050 as enacted**  
**Public Act 450 of 2018**  
**Sponsor: Sen. Jim Stamas**  
**House Committee: Communications and Technology**  
**Senate Committee: Energy and Technology**  
**Complete to 6-25-19**

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

### **SUMMARY:**

Senate Bill 1050 amends 1925 PA 368, which pertains to the use of highways by public utilities, to regulate broadband companies' use of highways.

The act prescribes the conditions under which certain utilities may enter upon, construct, and maintain a number of different structures or fixtures (such as pipelines, wires, cables, poles, and sewers). The act also requires those utilities to obtain consent from the appropriate board of county road commissioners or the state road commissioner, as applicable, before constructing a structure or fixture upon, over, or under a county road or bridge or a state trunk line or state-constructed bridge.

The bill adds "broadband companies" to the list of utilities regulated under the act and requires that construction of "broadband lines" follow the same regulations described above.

[The bill as enacted also contains provisions regarding a request or requirement by a city, village, township, county, or county road commission that a telecommunications or cable provider move facilities. These provisions are from HB 5098, enacted as 2018 PA 565, and were added to SB 1050 so that the bills would not conflict with one another as they moved through the legislative process.]

The bill took effect March 21, 2019.

MCL 247.183 and 247.184

### **BACKGROUND INFORMATION:**

Public utility structures and facilities, including above-ground telecommunication and electric lines, as well as below-grade fiber-optic lines, gas transmission pipelines, water and sewer lines, and steam pipes, are frequently placed within highway rights-of-way. The use of these rights-of-way is governed in Michigan law by 1925 PA 368, which authorizes utilities to occupy the right-of-way of public highways, subject to the consent of the public highway owner. Access by utilities to public highway rights-of-way is typically granted by permit issued by the highway agency.

County road commissions and MDOT authorize utility work-through permits and charge permit fees for work related to issuing permits, including plan review and site inspection work. Section 13(2) of 1925 PA 368 authorizes imposition of a reasonable charge for utility use of limited access highway rights-of-way to offset a portion of the capital, maintenance, and permitting expense of the limited access highway. The authorized permit fees for MDOT are established in this section: installation permit fee are not to exceed \$1,000 per longitudinal mile, with a minimum fee of \$5,000 per permit. Provisions regarding utility permit fees charged by county road commissions are established in section 19b of chapter IV of 1909 PA 283, commonly known as the county road law.

**FISCAL IMPACT:**

Senate Bill 1050 does not change current utility permit requirements or current statutory provisions establishing and limiting permit fees. As a result, we believe the bill would have a minimal fiscal impact on the state and local units of government.

Legislative Analyst: Emily S. Smith  
Fiscal Analyst: William E. Hamilton

---

■ 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.