

Legislative Analysis



FEE LIMIT FOR BROADBAND PROJECT IN DRAIN RIGHT-OF-WAY

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<http://www.house.mi.gov/hfa>

House Bill 5096 as introduced
Sponsor: Rep. Phil Phelps
Committee: Communications and Technology
Complete to 10-23-17

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

SUMMARY:

House Bill 5096 would amend the Drain Code to allow a drain commissioner to charge a fee to a broadband service provider for a broadband project that would affect a drain.

Specifically, if a project would affect a drain, a drain commissioner could charge the responsible broadband provider a fee of either \$100 per drain crossing *or* a flat fee of \$1,000, *whichever is less*. The fee would go to the county treasurer, who would be responsible for allocating the fee to the drain fund for the drain affected by the project. If the project would affect more than one drain, the fee would be credited to the drain funds in proportion to the number of crossings of each drain.

Under the bill, broadband project would mean the construction, installation, or removal of broadband facilities or equipment in the right-of-way of one or more drains, as described by a broadband service provider in a single application filed with the drain commissioner.

Broadband service provider would mean a person that provides broadband service, as defined in the Michigan Telecommunications Act, which is a retail service capable of transmitting data over an access line at a rate greater than 200 kilobits per second (MCL 484.2102).

Proposed MCL 280.422b

FISCAL IMPACT:

House Bill 5096 could have a fiscal impact on county drain commissioners, an arm of local government. The bill would amend the Drain Code to establish maximum fees that a drain commissioner could charge a broadband service for a broadband project affecting a drain or drains. It is understood that the fees would be imposed when a broadband project intersects a county drain facility or facilities necessitating inspection of the drain facility and broadband project by the drain commissioner. To the extent that the fee maximums established in the bill are less than the actual inspection or permitting cost of a drain commissioner for any broadband project, the bill could increase a drain commissioner's

unreimbursed costs. The impact would vary from year to year and by agency depending on the circumstances of specific broadband projects. The total impact and the impact on any specific county drain commissioner cannot be practically estimated at this time.

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■ 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.