



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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House Bill 5098 (Substitute S-2 as reported)  
Sponsor: Representative Michele Hoytenga  
House Committee: Communications and Technology  
Senate Committee: Energy and Technology

### **CONTENT**

The bill would amend Public Act 368 of 1925, which governs highway obstructions and encroachments, and the use of highways by public utilities, to do the following:

- Allow a local unit of government or the Michigan Department of Transportation (MDOT) to require certain entities to obtain a permit to relocate a facility.
- Include a broadband company in the list of companies and municipalities specified in the Act that could enter upon, construct, and maintain telegraph, telephone, or power lines, pipelines, wires, cables, poles, conduits, sewers, or similar structures upon, over, across, or under any public road, bridge, street, or public place.
- Require a broadband company to obtain the consent of the governing body of the city, village, or township through or along which those lines or poles would be constructed or maintained.

MCL 247.183

Legislative Analyst: Stephen Jackson

### **FISCAL IMPACT**

The bill could have a negative impact on the Department of Transportation and to local units of government due to the potential for reduced permit fees by waiving the cost of installation permit fees for utilities when a city, village, township, county, county road commission, or the Department, required a utility to relocate facilities.

Regarding the Department's fees, those are set in Section 13 of Public Act 368 of 1925 at \$1,000 per mile of right-of-way with a minimum permit fee amount of \$5,000. Also, under Section 13, when the permit fee fails to cover the actual costs for the Department, it may assess an additional fee to cover that balance. Under the bill, all of these fees would be waived when the governing body required the utility to relocate. These fees are required to be used for capital and maintenances for limited access highways, including the cost of issuing the permit. The total amount of fees to be waived per year under this bill cannot be estimated, and likely would vary from year to year.

Date Completed: 12-13-18

Fiscal Analyst: Michael Siracuse