



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5098 (Substitute H-5 as passed by the House)
Sponsor: Representative Michele Hoytenga
House Committee: Communications and Technology
Senate Committee: Energy and Technology

Date Completed: 12-11-18

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 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.

Specifically, under the bill, if a city, village, township, county, county road commission or the MDOT requested or required an entity holding a license under the Michigan Telecommunications Act, or holding a franchise under the Uniform Video Service Local Franchise Act, to relocate facilities, the local unit or MDOT could require the entity to obtain a permit for the relocation of the facilities, but would have to waive any permit fees, including an installation permit fee. This provision would not apply if the request to relocate facilities was due to an entity replacing facilities in a location not authorized by a current or previous permit.

The Michigan Telecommunications Act requires a telecommunication provider to obtain a license in order to provide or resell basic local exchange service (the provision of an access line and usage within a local calling area for the transmission of high-quality two-way interactive switched voice or data communication) in the State. The Uniform Video Service Local Franchise Act prohibit a person from providing video services in any local unit of government without first obtaining a uniform video service local franchise.

The bill would take effect 180 days after its enactment.

MCL 247.183

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill could have a negative impact to 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 (ROW) 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, the Department 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.

Fiscal Analyst: Michael Siracuse

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.