

## GOVERNMENT REIMBURSEMENT FOR RELOCATION OF BROADBAND FACILITIES

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**House Bill 5016 (proposed substitute H-1)**  
**Sponsor: Rep. Eric Leutheuser**  
**House Committee: Communications and Technology**  
**Complete to 12-1-15**

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

### SUMMARY:

House Bill 5016 would amend Section 13 of Public Act 368 of 1925, which regulates the usage of public right of ways along roads, by requiring a local unit of government or the state Department of Transportation to reimburse an entity holding a license under the Michigan Telecommunications Act, or an entity holding a franchise under the Uniform Video Services Local Franchise Act, for relocation of its facilities under certain circumstances. The bill would take effect 90 days after the date it is enacted.

If the following apply, a city, village, township, or county, or state Department of Transportation would be required to reimburse a licensee or franchisee for 100% of costs relating to its relocation of facilities:

- The unit of government either:
  - Requested the entity to temporarily or permanently relocate its facilities.
  - Requested the entity to temporarily or permanently relocate its facilities to protect those facilities due to construction or other activity by the city, village, township, or county, or the state transportation department. [NOTE: The second condition appears to be wholly contained within the first.]
- The entity invests money in broadband infrastructure in this state.
- The entity's facilities were placed in the public right-of-way less than six years before the date of the request to relocate those facilities.

Regardless of when the facilities were placed in the public right of way, the unit of government would still be required to send written notification to the licensee or franchisee at least two years before the relocation is to occur. If written notification is not sent, then the unit of government would still be required to reimburse the entity 100% of its relocation costs.

Additionally, the entity could still be required by the unit of government to obtain any permits or conduct any surveys or studies related to the relocation. However, the local unit of government would be required to waive any permit fees and/or reimburse for survey or study costs.

The bill also would not prohibit a unit of government and an entity from entering into a voluntary written agreement to waive or modify duties relating to relocation costs,

including, but not limited to, waiving or modifying any limitations, conditions, or requirements of that reimbursement.

If an entity is granted a property tax credit under Section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, the amount of reimbursement for relocation costs would be reduced by the amount of that property tax credit.

The Michigan Public Service Commission also would be required to establish a process for dispute resolution regarding reimbursement of relocation costs.

The bill would define "relocation costs" as all costs for relocating an entity's facilities in the public right of way, including, but not limited to, boring costs and labor costs associated with that relocation.

"Broadband infrastructure" would be defined to refer to "all facilities, hardware, and software and other intellectual property necessary to provide broadband services in this state, including, but not limited to, voice, video, and data."

"Study" would be defined as "a study or survey, including, but not limited to, drainage, soil, or center line studies."

#### **FISCAL IMPACT:**

As introduced, the bill would have a negative fiscal impact on the Department of Transportation (MDOT) and local units of government to the extent that MDOT or locals request that telecommunication or video services providers relocate their facilities; dependent upon how many providers have invested in broadband infrastructure, how often the relocation of facilities is requested, how long the facilities have existed within the right-of-way, and how much revenue is typically generated from local permit and inspection fees. This information was not available as of the date that this analysis was drafted and, consequently, the magnitude of the negative fiscal impact is currently indeterminate.

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