

February 4, 2025

The Honorable Michael Fagg, Chairperson  
Senate Committee on Utilities  
300 SW 10th Avenue, Room 548-S  
Topeka, Kansas 66612

Dear Senator Fagg:

**SUBJECT:** Fiscal Note for SB 57 by Senate Committee on Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning SB 57 is respectfully submitted to your committee.

SB 57 would require funds made available under contracts between counties, cities, and political subdivisions of the state and the Kansas Department of Transportation (KDOT), including federal funds, to be sufficient to pay for the cost of any modification or relocation of communications facilities. The bill would outline certain reporting requirements for such contracts. Under current law, KDOT cannot advance funds in excess of \$20,000 per project to any one public utility or entity for removal or relocation of telecommunication utilities, structures or facilities. SB 57 would entitle telecommunication providers, video service providers or broadband internet providers to receive reimbursement from the KDOT for costs incurred to modify or relocate communications facilities located in the right-of-way of the state highway. Costs paid with funds advanced by KDOT would be exempt from reimbursement. The bill would also define “communications facilities” and would update language regarding modification or relocation of such facilities.

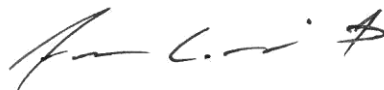
KDOT indicates enactment of the bill would entitle telecommunication providers, video service providers or broadband internet providers currently on the state highway right-of-way to receive reimbursement from KDOT if the communications facilities need to be modified or relocated to accommodate a state highway project. Currently, upon approval by KDOT, public utility companies are permitted to locate facilities on state highway right-of-way at no cost to the public utility company. If utility facilities must be modified or relocated due to a state highway project, KDOT indicates the utility bears the cost of moving those facilities. KDOT states that a precise fiscal effect cannot be estimated, but states enactment of bill could increase Eisenhower

Legacy Transportation Program (IKE) expenditures by tens of millions of dollars. In FY 2024, KDOT required 108 utility relocations due to state highway projects. Of this amount, approximately 63 were located on state highway right-of-way and the utility companies paid for the relocations. The remaining 45 were located on private easements and KDOT paid \$25.9 million for the costs of moving utility facilities. Making assumptions that the right-of-way relocations and private easement relocations were relatively the same, KDOT estimates it would have spent an additional \$36.2 million for utility companies to relocate their utilities under the provisions of the bill in FY 2024. As such, KDOT indicates it would need to reevaluate planned IKE expenditures and lettings to comply with the provisions of the bill. Any fiscal effect associated with SB 57 is not reflected in *The FY 2026 Governor's Budget Report*.

The League of Kansas Municipalities states enactment of the bill could increase expenditures for cities if cities are responsible for any costs to modify or relocate communications or video service facilities for certain road and highway projects, but a precise fiscal effect cannot be estimated.

The Kansas Association of Counties indicates the bill would increase expenditures for road projects for counties due to the additional cost to relocate communications facilities, but a precise fiscal effect cannot be estimated.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt  
Director of the Budget

cc: Brendan Yorkey, Department of Transportation  
Wendi Stark, League of Kansas Municipalities  
Jay Hall, Kansas Association of Counties