



May 21, 2025

The Honorable Marvin L. Abney, Chair
House Finance Committee
Rhode Island House
82 Smith Street
Providence, RI 02903

RE: BILL NUMBER H-5317 – AN ACT RELATING TO HIGHWAYS -- RELOCATION OF UTILITY SERVICES

Chair Abney and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, we are writing to express our strong support for House Bill 5317, which proposes an essential amendment to the reimbursement process for the relocation of utility facilities necessitated by highway construction projects.

As you are aware, the statute enacted in 2022 shifted the financial burden of 50% of utility relocation costs to private corporations and companies, a group that, unfortunately, included municipal utilities such as the Portsmouth Water and Fire District and the Providence Water Authority. Prior to this change, the Rhode Island Department of Transportation (RIDOT) routinely covered 100% of such costs for municipal utilities as part of project budgets. This recent policy shift has had unintended and disruptive consequences for our cities and towns.

House Bill 5317 restores balance and fairness to this process by reinstating full state reimbursement for utility relocations carried out by municipalities and quasi-municipal agencies. This correction is not only fiscally responsible but necessary to protect the autonomy and financial stability of our local governments. We respectfully offer the following reasons in support of this legislation:

1. **Local Budget Planning:** Municipal utilities typically do not allocate funds for state-mandated utility relocations, as these expenses have historically been absorbed within RIDOT's capital project budgets. The current cost-sharing model forces municipalities to divert resources from other critical services.
2. **Risk Mitigation and Efficiency:** RIDOT project timelines and scopes often change. Requiring municipalities to front relocation costs places them at risk of shouldering additional, unpredictable expenses should state project plans be revised mid-course.
3. **Preserving Local Priorities:** Municipalities must be empowered to advance projects that align with local goals and community needs. Reallocating scarce municipal funds to cover state-imposed utility relocations undermines this principle and can derail important local initiatives.
4. **Real-World Impact:** As seen recently in Portsmouth, these cost shifts have tangible consequences. Municipal utilities are placed in difficult positions, having to weigh state requirements against their own operational and budgetary constraints, often to the detriment of local residents.

By fully reimbursing the costs incurred by municipal and quasi-municipal utilities for facility relocations due to highway construction, House Bill 5317 ensures that local agencies are not unfairly penalized for improvements to state infrastructure. It is a fair, common-sense correction that allows local governments to better manage resources and continue serving their communities effectively.

We respectfully urge you to support House Bill 5317. Thank you for your attention to this important matter and for your continued commitment to Rhode Island's cities and towns.

Sincerely,

A handwritten signature in dark ink, appearing to read "Randy R. Rossi", is written over a light blue horizontal line.

Randy R. Rossi
Executive Director

Cc: Honorable Members of House Finance Committee