

April 29, 2026

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

RE: HOUSE BILL 7244 - AN ACT RELATING TO HIGHWAYS -- RELOCATION OF UTILITY SERVICES

Chair Abney and Honorable Committee Members,

The Rhode Island League of Cities and Towns respectfully submits this testimony in support of House Bill 7244, legislation that would require utility relocation costs associated with highway construction projects to be partially or fully paid by the state.

The League represents all 39 cities and towns across Rhode Island and advocates on behalf of municipal governments and local taxpayers. We appreciate the intent of this legislation to address an issue that has created significant financial and operational challenges for municipalities and quasi-municipal utility providers.

Changes made in recent years shifted a portion of utility relocation costs related to highway construction onto utility providers, including municipal and quasi-municipal entities such as local water districts and public water authorities. Historically, these costs were routinely covered through Rhode Island Department of Transportation project budgets. The shift away from that practice has created unintended consequences for local governments and ratepayers.

House Bill 7244 would help restore fairness and predictability by ensuring that the state assumes partial or full responsibility for costs generated by state highway infrastructure projects. The League respectfully offers the following reasons in support:

1. **Protecting Local Budgets:** Municipal utilities generally do not budget for major relocation costs triggered by state construction projects. Requiring local entities to absorb these expenses can force difficult budget adjustments or increases in rates and fees.
2. **Preserving Essential Services:** Funds diverted to cover state project-related utility relocations are funds no longer available for water system upgrades, infrastructure maintenance, emergency response readiness, and other essential local priorities.
3. **Improving Project Coordination:** Clear state responsibility for these costs can reduce disputes, delays, and uncertainty, allowing highway improvement projects to move forward more efficiently and cooperatively.
4. **Fair Allocation of Costs:** When relocation work is necessary solely because of a state transportation project, it is reasonable that the project sponsor bear those associated expenses rather than shifting them to municipalities and local ratepayers.
5. **Supporting Ratepayer Stability:** Many municipal and quasi-municipal utilities are funded directly by customers. Unexpected relocation costs may ultimately be passed on to residents and businesses through higher rates.

House Bill 7244 represents a practical and equitable solution that recognizes the fiscal realities facing Rhode Island municipalities while supporting the continued advancement of important state infrastructure improvements.

Thank you for allowing us to share our perspective on this legislation.

Sincerely,

A handwritten signature in cursive script, appearing to read "R.R. Rossi".

Randy R. Rossi
Executive Director

Cc: Honorable Members of House Finance Committee