



# OFFICE OF MANAGEMENT & BUDGET

## State Budget Office

One Capitol Hill  
Providence, RI 02908-5890

Office: (401) 222-6300  
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*State Fiscal Note for Bill Number:*

**2024-H 7611**

*Date of State Budget Office Approval:* Wednesday, May 29, 2024

*Date Requested:* Thursday, February 15, 2024

*Date Due:* Thursday, April 4, 2024

<i>Impact on Expenditures</i>	<i>Impact on Revenues</i>
FY 2024 N/A	FY 2024 N/A
FY 2025 Indeterminate	FY 2025 N/A
FY 2026 Indeterminate	FY 2026 N/A

*Explanation by State Budget Office:*

This bill would amend Rhode Island General Laws (R.I.G.L.) 24-8.1-2, which concerns relocation of utility facilities. Under current statute, both private and governmental entities are reimbursed for utility relocations necessitated by federally funded highway projects at 50 percent of the cost of relocation. The proposed bill limits the 50 percent reimbursement to privately-owned utility operators and creates a new subsection (b) that provides 100 percent reimbursement to governmental utility operators.

*Summary of Facts and Assumptions:*

The section of statute amended by this bill was previously amended in 2022. That bill, H-7604, limited all privately- and publicly-owned and operated utility providers to 50 percent reimbursement, where both had initially received full reimbursement for relocations. This bill carves municipalities out from the 50 percent reimbursement, restoring them to full reimbursement for relocation costs.

The Division of Public Utilities and Carriers (DPUC) confirms that current statute affects every privately held piece of utility infrastructure in the state. This includes all Rhode Island Energy gas pipeline and electrical grid, all underground telecommunications facilities and cabling for multiple carriers (Verizon, Cox, etc.), and pipes for Veolia water, which is the single for-profit water company in the state. DPUC was unable to provide a full accounting of this infrastructure.

The restoration of 100 percent match for utility relocation for publicly managed utilities, such as those maintained and operated by municipalities, would likewise affect large and small utility infrastructure components. Publicly operated utilities typically encompass water and sewer, as most power and gas infrastructure is privately held and maintained. DPUC does not maintain an accounting of public infrastructure either.

Costs for relocation of individual pieces of utility infrastructure vary widely based on the project scope and nature of the facility being relocated. The Rhode Island Department of Transportation (RIDOT) does not maintain a listing of utility infrastructure potentially impacted by the State Transportation Improvement Plan (STIP).



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Comments on Sources of Funds:

For the purposes of this note, it is assumed that funds used for relocation reimbursement would be general revenue. However, if the funds were to be allocated from RIDOT's budget, the relocations would be jointly financed by other funds and federal funds, typically with an eighty percent (80%) federal share and twenty percent (20%) State match. State match is financed with a mix of Rhode Island Capital Asset Plan funds (RICAP) and revenues from the Rhode Island Highway Maintenance Account (RIHMA) funds. RIDOT operating expenses are predominantly financed with Gas Tax revenue, supplemented with RIHMA and Federal grants.

Summary of Fiscal Impact:

As the utilities impacted by the STIP are unknown at this time and would likely be evaluated on a case-by-case basis, the scope of individual projects cannot be estimated. Furthermore, as the relocation of utility infrastructure would change in cost on a case-by-case basis depending on the nature of the infrastructure being relocated and the nature of the relocation itself, the cost of relocating a single piece of infrastructure cannot be estimated either. As such, the impact of this bill is indeterminate.

Budget Office Signature:

Digitally signed by Joseph Codega Jr.  
Date: 2024.05.30 10:48:09 -04'00'

Fiscal Advisor Signature: