

May 7, 2026

The Honorable Senator Louis P. DiPalma, Chair
Senate Finance Committee
Rhode Island State Senate
82 Smith Street
Providence, RI 02903

RE: SENATE BILL 2105 - AN ACT RELATING TO HIGHWAYS -- RELOCATION OF UTILITY SERVICES

Chair DiPalma and Honorable Committee Members,

The Rhode Island League of Cities and Towns respectfully submits this testimony in support of Senate Bill 2105, legislation that would require utility relocation costs associated with highway construction projects to be partially or fully borne 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, which addresses a long-standing issue that has created significant financial and operational pressures for municipalities and quasi-municipal utility providers.

In recent years, policy changes have shifted a portion of utility relocation costs tied to state highway construction projects onto utility providers, including municipal and quasi-municipal entities such as local water districts and public water authorities. Historically, these costs were routinely included within Rhode Island Department of Transportation project budgets. The departure from that practice has resulted in unintended fiscal consequences for local governments and ratepayers.


Senate Bill 2105 would help restore greater fairness and predictability by ensuring that the State assumes partial or full responsibility for costs generated as a direct result of state highway infrastructure projects. The League respectfully offers the following considerations in support:

- **Protecting Local Budgets:** Municipal utilities typically do not budget for major utility relocation costs arising from state-initiated highway projects. Shifting these expenses to local entities can require difficult reallocations or increases in rates and fees.
- **Preserving Essential Services:** Resources used to cover state project-related utility relocations are resources diverted from critical local priorities, including system upgrades, infrastructure maintenance, emergency preparedness, and long-term capital planning.
- **Improving Project Coordination:** Clear and consistent state responsibility for these costs can reduce disputes, minimize delays, and improve overall coordination, allowing transportation projects to proceed more efficiently.

- Fair Allocation of Costs: When utility relocation is necessitated solely by a state transportation project, it is appropriate for the project sponsor to bear those costs rather than shifting them to municipalities or local ratepayers.
- Supporting Ratepayer Stability: Many municipal and quasi-municipal utilities are funded directly by customers. Unexpected relocation expenses may ultimately be passed on to residents and businesses in the form of increased utility rates.

Senate Bill 2105 represents a practical and equitable approach that acknowledges the fiscal realities facing Rhode Island municipalities while supporting the continued advancement of critical state infrastructure projects.

Sincerely,



Randy R. Rossi
Executive Director

Cc: Honorable Members of Senate Finance Committee