FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: CS/HB 703 COMPANION BILL: CS/SB 818 (McClain)

TITLE: Utility Relocation

SPONSOR(S): Robinson, W.

LINKED BILLS: None
RELATED BILLS: None

Committee References

Economic Infrastructure 18 Y, 0 N

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Commerce 23 Y, 1 N, As CS

SUMMARY

Effect of the Bill:

The bill modifies the process under which communications services providers must relocate facilities located in a public right-of-way by:

- Requiring these providers, to submit a "reasonable" schedule to expedite the relocation of their facilities located within the right-of-way;
- Extending the time allowed for these providers to begin relocation work from 30 days to 60 days; and
- Shifting cost responsibility for relocation work from these providers to the right-of-way authority that requires such relocation.

Fiscal or Economic Impact:

The bill will have an indeterminate but likely significant negative impact on state and local government expenditures.

JUMP TO <u>SUMMARY</u> <u>ANALYSIS</u> <u>RELEVANT INFORMATION</u> <u>BILL HISTORY</u>

ANALYSIS

EFFECT OF THE BILL:

The bill modifies the process under which certain <u>utilities</u> located within the right-of-way (ROW) limits of any public road or publicly owned rail corridor must be relocated upon request of the government entity that has jurisdiction and control over the road or rail corridor. These government entities, referred to as "authorities," include the Department of Transportation and local governments.

Specifically, the bill creates an exception to the general requirement that a utility owner is responsible for the expense of relocating such facilities. If an authority requires a provider of <u>communications services</u> that is subject to the <u>Communications Services Tax Simplification Law</u> to relocate a facility used to provide such services, the bill provides that, upon written notice by the authority, the provider owning or operating the facility must provide the authority a reasonable utility relocation schedule to expedite the completion of the authority's construction or maintenance project identified in the notice. The bill provides that the provider must initiate the work within 60 days of the notice. Under the bill, the authority must pay the entire expense properly attributable to the work. (Section 1)

The bill amends a cross-reference to conform to these changes. (Section $\underline{2}$)

The bill provides a legislative finding of important state interest. (Section 3)

The effective date of the bill is July 1, 2025. (Section 4)

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DATE: 4/9/2025

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FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill will have an indeterminate but likely significant negative impact on state government expenditures associated with transportation projects due to the transfer of cost responsibility for relocation of broadband Internet, cable, and video service facilities located within the right-of-way limits of roads and rail corridors under the jurisdiction and control of the Department of Transportation.¹

LOCAL GOVERNMENT:

The bill will have an indeterminate but likely significant negative impact on local government expenditures associated with transportation projects due to the transfer of cost responsibility for relocation of broadband Internet, cable, and video service facilities located within the right-of-way limits of roads and rail corridors under the jurisdiction and control of local government entities.

PRIVATE SECTOR:

The bill will eliminate facility relocation costs for providers of broadband Internet, cable, and video service when such facilities are located within the right-of-way limits of roads and rail corridors under the jurisdiction and control of the Department of Transportation or a local government entity.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Utility Use of the Public Right-of-Way

The Department of Transportation (DOT) and each local government that has jurisdiction and control of public roads or publicly owned rail corridors is authorized to prescribe and enforce reasonable rules or regulations related to placing and maintaining utility facilities across, on, or within the right-of-way (ROW) limits of any road or publicly owned rail corridors under its jurisdiction. Each of these types of government entities is individually referred to as an "authority" when acting in this capacity.2

Each ROW authority may authorize any person who is a resident of this state, or any corporation organized under the laws of this state or licensed to do business within this state, to use a public ROW for a utility in accordance with the authority's rules or regulations. For purposes of obtaining such use, a "utility" includes:

- Electric transmission lines
- Voice, telegraph, data, or other communications services lines
- Wireless facilities
- Poles and pole lines
- Railways
- **Ditches**
- Sewers
- Water, heat, or gas mains
- **Pipelines**
- **Fences**
- Gasoline tanks and pumps
- Any other structures referred to in ss. 337.401–337.404, F.S.³

A utility may not be installed, located, or relocated within a public ROW unless authorized by a written permit. However, for public roads or publicly owned rail corridors under DOT's jurisdiction, a utility relocation schedule and relocation agreement may be executed in lieu of a written permit.4

JUMP TO **SUMMARY RELEVANT INFORMATION BILL HISTORY ANALYSIS**

¹ An agency analysis of this bill was requested from the Department of Transportation on March 4, 2025, and as of the date of publication has not been received.

² S. 337.401(1), F.S.

³ *Id*.

If a public ROW authority finds that a utility placed within the ROW limits of a public road or publicly owned rail corridor is unreasonably interfering in any way with the use, maintenance, improvement, extension, or expansion of the road or rail corridor, it must notify the utility or its agent in writing. Within 30 days of such notice, the utility owner must initiate the work necessary to alleviate the interference at its own expense.⁵ The work must be completed within a reasonable time as stated in the notice or a time agreed to by the authority and utility owner.⁶

Communications Services Tax (CST) Simplification Law

Chapter 202, F.S., is the Communications Services Tax (CST) Simplification Law. The term "communications services" means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including video services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method, regardless of the protocol used for such transmission or conveyance.⁷

Section 202.105, F.S., provides the legislative findings and intent related to enactment of the CST simplification law. The law simplified the state and local tax and fee system for communications services, by restructuring separate taxes and fees into a revenue-neutral CST centrally administered by the Department of Revenue, i.e. a single tax to replace multiple taxes and fees previously imposed.

The state CST rate, except for direct-to-home satellite service, is 4.92 percent.⁸ Local governments may also levy a discretionary CST.⁹

Additional Relevant Information

Art. VII, s. 18(a), of the Florida Constitution states that a county or municipality is not bound by a general law that requires the county or municipality to spend funds or to take an action requiring the expenditure of funds unless the legislature has determined that such law fulfills an important state interest and:

- Funds are appropriated to cover the estimated expenditure;
- The legislature provides authority for the county or municipality, by a simple majority vote, to enact a funding source not available for such county or municipality on February 1, 1989, that can be used to generate funds to cover the estimated expenditure;
- The law requiring the expenditure is approved by two-thirds of the membership in each house of the legislature;
- The expenditure is required to comply with a law that applies to all persons similarly situated, including the state and local governments; or
- The law is required to comply with a federal requirement or required for eligibility for a federal
 entitlement, which federal requirement specifically contemplates actions by counties or municipalities for
 compliance.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

⁴ S. 337.401(2), F.S.

⁵ S. <u>337.401(1)</u>, F.S. This law provides a list of specific scenarios in which responsibility for relocation expenses is modified. ⁶ *Id.*

⁷ S. 202.11(1), F.S. Excluded from this definition is information services; installation or maintenance of wiring or equipment on a customer's premises; the sale or rental of tangible personal property; the sale of advertising, including, but not limited to, directory advertising; bad check charges; late payment charges; billing and collection services; and internet access service, electronic mail service, electronic bulletin board service, or similar online computer services.

⁸ S. 202.12(1)(a) and (b), F.S.

⁹ S. 202.19, F.S.

BILL HISTORY

			STAFF DIRECTOR/	ANALYSIS	
COMMITTEE REFERENCE	ACTION	DATE	POLICY CHIEF	PREPARED BY	
Economic Infrastructure	18 Y, 0 N	3/12/2025	Keating	Bauldree	
<u>Subcommittee</u>					
Commerce Committee	23 Y, 1 N, As CS	4/7/2025	Hamon	Bauldree	
THE CHANGES ADOPTED BY THE COMMITTEE:	Expanded application of the bill's cost responsibility provisions to all providers of communications services subject to the communications services tax.				
	Applied existing provisions of the bill relating to the initiation of relocation work only to providers of communications services.				
	 Provided a legislative 	Provided a legislative finding of an important state interest.			

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THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.

 JUMP TO
 SUMMARY
 ANALYSIS
 RELEVANT INFORMATION
 BILL HISTORY