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BILL ANALYSIS

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Senate Bill 522 (as introduced 5-19-05)  
Sponsor: Senator Michelle A. McManus  
Committee: Transportation

Date Completed: 5-31-05

### **CONTENT**

The bill would amend Public Act 368 of 1925, which governs highway obstructions and encroachments, as well as the use of highways by public utilities, to allow a utility to enter upon, construct, and maintain utility lines and structures under any public road, street, or other subsurface that intersected any limited access highway at a different grade, without the approval of the governing body of the local unit.

Under the Act, telegraph, telephone, power, and other public utility companies, cable television companies, and municipalities may enter upon, construct, and maintain telegraph, telephone, or power lines, pipe lines, wires, cables, poles, conduits, sewers, or similar structures upon, over, across, or under any public road, bridge, street, or public place, longitudinally within limited access highway rights-of-way, and across or under any of the State's waters, with all necessary erections and fixtures for that purpose. Before any of the work begins, the company or municipality must obtain the consent of the governing body of the city, village, or township through or along which the lines and poles are to be constructed and maintained.

The Act also allows a utility to enter upon, construct, and maintain utility lines and structures longitudinally within limited access highway rights-of-way in accordance with standards approved by the State Transportation Commission that conform to governing Federal laws and regulations.

The bill would include pipe lines among the utility lines and structures a utility may enter upon, construct, and maintain longitudinally within a limited access highway right-of-way, and would allow utility lines and structures under any public road that intersected a limited access highway at a different grade. The standards would have to be approved by both the State Transportation Commission and the Public Service Commission. The bill specifies that the utility would not have to obtain the consent of the governing body of the city, village, or township.

MCL 247.183

Legislative Analyst: Julie Koval

### **FISCAL IMPACT**

The bill could result in increased State revenue and administrative costs associated with the construction and maintenance of utility lines and structures under any public road, street, or subsurface that intersects any limited access highway. A one-time installation permit fee is required before the longitudinal use of limited access highway rights-of-way. The fee is \$1,000 per mile of longitudinal use of highway rights-of-way, with a minimum permit fee of \$5,000 (five miles). The fee is paid to the Michigan Department of Transportation and

credited to the State Trunkline Fund for capital and maintenance expenses of limited access highways.

The bill could result in decreased local government revenue if the bill resulted in the construction of more utility lines and structures along limited access highway rights-of-way instead of along easements to local government property (e.g., a road, bridge, or street). There are no data available to suggest what the actual fiscal impact on local government would be.

Fiscal Analyst: Craig Thiel

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.