

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
CONFERENCE COMMITTEE SUBSTITUTE FOR
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HOUSE COMMITTEE SUBSTITUTE FOR
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SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 369
91ST GENERAL ASSEMBLY
2001

1518L.09T

AN ACT

To amend chapter 67, RSMo, by adding thereto nine new sections relating to utility access to public rights-of-way.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 67, RSMo, is amended by adding thereto nine new sections, to be known as sections 67.1830, 67.1832, 67.1834, 67.1836, 67.1838, 67.1840, 67.1842, 67.1844 and 67.1846, to read as follows:

67.1830. As used in sections 67.1830 to 67.1846, the following terms shall mean:

(1) "Abandoned equipment or facilities", any equipment materials, apparatuses, devices or facilities that are:

(a) Declared abandoned by the owner of such equipment or facilities;

(b) No longer in active use, physically disconnected from a portion of the operating facility or any other facility that is in use or in service, and no longer capable of being used for the same or similar purpose for which the equipment, apparatuses or facilities were installed; or

(c) No longer in active use and the owner of such equipment or facilities fails to respond within thirty days to a written notice sent by a political subdivision;

(2) "Degradation", the actual or deemed reduction in the useful life of the public right-of-way resulting from the cutting, excavation or restoration of the public right-of-

way;

(3) "Emergency", includes but is not limited to the following:

(a) An unexpected or unplanned outage, cut, rupture, leak or any other failure of a public utility facility that prevents or significantly jeopardizes the ability of a public utility to provide service to customers;

(b) An unexpected or unplanned outage, cut, rupture, leak or any other failure of a public utility facility that results or could result in danger to the public or a material delay or hindrance to the provision of service to the public if the outage, cut, rupture, leak or any other such failure of public utility facilities is not immediately repaired, controlled, stabilized or rectified; or

(c) Any occurrence involving a public utility facility that a reasonable person could conclude under the circumstances that immediate and undelayed action by the public utility is necessary and warranted;

(4) "Excavation", any act by which earth, asphalt, concrete, sand, gravel, rock or any other material in or on the ground is cut into, dug, uncovered, removed, or otherwise displaced, by means of any tools, equipment or explosives, except that the following shall not be deemed excavation:

(a) Any *de minimis* displacement or movement of ground caused by pedestrian or vehicular traffic;

(b) The replacement of utility poles and related equipment at the existing general location that does not involve either a street or sidewalk cut; or

(c) Any other activity which does not disturb or displace surface conditions of the earth, asphalt, concrete, sand, gravel, rock or any other material in or on the ground;

(5) "Management costs" or "rights-of-way management costs", the actual costs a political subdivision reasonably incurs in managing its public rights-of-way, including such costs, if incurred, as those associated with the following:

(a) Issuing, processing and verifying right-of-way permit applications;

(b) Inspecting job sites and restoration projects;

(c) Protecting or moving public utility right-of-way user construction equipment after reasonable notification to the public utility right-of-way user during public right-of-way work;

(d) Determining the adequacy of public right-of-way restoration;

(e) Restoring work inadequately performed after providing notice and the opportunity to correct the work; and

(f) Revoking right-of-way permits.

Right-of-way management costs shall be the same for all entities doing similar

work. Management costs or rights-of-way management costs shall not include payment by a public utility right-of-way user for the use or rent of the public right-of-way, degradation of the public right-of-way or any costs as outlined in paragraphs (a) to (h) of this subdivision which are incurred by the political subdivision as a result of use by users other than public utilities, the fees and cost of litigation relating to the interpretation of this section or section 67.1832, or litigation, interpretation or development of any ordinance enacted pursuant to this section or section 67.1832, or the political subdivision's fees and costs related to appeals taken pursuant to section 67.1838. In granting or renewing a franchise for a cable television system, a political subdivision may impose a franchise fee and other terms and conditions permitted by federal law.

(6) "Managing the public right-of-way", the actions a political subdivision takes, through reasonable exercise of its police powers, to impose rights, duties and obligations on all users of the right-of-way, including the political subdivision, in a reasonable, competitively neutral and nondiscriminatory and uniform manner, reflecting the distinct engineering, construction, operation, maintenance and public work and safety requirements applicable to the various users of the public right-of-way, provided that such rights, duties and obligations shall not conflict with any federal law or regulation. In managing the public right-of-way, a political subdivision may:

(a) Require construction performance bonds or insurance coverage or demonstration of self-insurance at the option of the political subdivision or if the public utility right-of-way user has twenty-five million dollars in net assets and does not have a history of permitting noncompliance within the political subdivision as defined by the political subdivision, then the public utility right-of-way user shall not be required to provide such bonds or insurance;

(b) Establish coordination and timing requirements that do not impose a barrier to entry;

(c) Require public utility right-of-way users to submit, for right-of-way projects commenced after the effective date of this act, requiring excavation within the public right-of-way, whether initiated by a political subdivision or any public utility right-of-way user, project data in the form maintained by the user and in a reasonable time after receipt of the request based on the amount of data requested;

(d) Establish right-of-way permitting requirements for street excavation;

(e) Establish removal requirements for abandoned equipment or facilities, if the existence of such facilities prevents or significantly impairs right-of-way use, repair, excavation or construction;

(f) Establish permitting requirements for towers and other structures or

equipment for wireless communications facilities in the public right-of-way, notwithstanding the provisions of section 67.1832;

(g) Establish standards for street restoration in order to lessen the impact of degradation to the public right-of-way; and

(h) Impose permit conditions to protect public safety;

(7) "Political subdivision", a city, town, village, county of the first classification or county of the second classification;

(8) "Public right-of-way", the area on, below or above a public roadway, highway, street or alleyway in which the political subdivision has an ownership interest, but not including:

(a) The airwaves above a public right-of-way with regard to cellular or other nonwire telecommunications or broadcast service;

(b) Easements obtained by utilities or private easements in platted subdivisions or tracts;

(c) Railroad rights-of-way and ground utilized or acquired for railroad facilities; or

(d) Poles, pipes, cables, conduits, wires, optical cables, or other means of transmission, collection or exchange of communications, information, substances, data, or electronic or electrical current or impulses utilized by a municipally owned or operated utility pursuant to chapter 91, RSMo, or pursuant to a charter form of government;

(9) "Public utility", every cable television service provider, every pipeline corporation, gas corporation, electrical corporation, rural electric cooperative, telecommunications company, water corporation, heating or refrigerating corporation or sewer corporation under the jurisdiction of the public service commission; every municipally owned or operated utility pursuant to chapter 91, RSMo, or pursuant to a charter form of government or cooperatively owned or operated utility pursuant to chapter 394, RSMo; every street light maintenance district; every privately owned utility; and every other entity, regardless of its form of organization or governance, whether for profit or not, which in providing a public utility type of service for members of the general public, utilizes pipes, cables, conduits, wires, optical cables, or other means of transmission, collection or exchange of communications, information, substances, data, or electronic or electrical current or impulses, in the collection, exchange or dissemination of its product or services through the public rights-of-way;

(10) "Public utility right-of-way user", a public utility owning or controlling a facility in the public right-of-way; and

(11) "Right-of-way permit", a permit issued by a political subdivision authorizing

the performance of excavation work in a public right-of-way.

67.1832. 1. In addition to any other grants for the use of public thoroughfares, and pursuant to this section, a political subdivision shall grant its consent to a public utility right-of-way user authorized to do business pursuant to the laws of this state or by license of the Federal Energy Regulatory Commission, United States Department of Transportation, or the Federal Communications Commission to construct, maintain and operate all equipment, facilities, devices, materials, apparatuses, or media including but not limited to, conduits, ducts, lines, pipes, wires, hoses, cables, culverts, tubes, poles, towers, manholes, transformers, regulator stations, underground vaults, receivers, transmitters, satellite dishes, micro cells, Pico cells, repeaters, or amplifiers useable for the transmission or distribution of any service or commodity installed below or above ground in the public right-of-way; provided that, no political subdivision shall require any conditions that are inconsistent with the rules and regulations of the Federal Energy Regulatory Commission, United States Department of Transportation, Federal Communications Commission or the Missouri public service commission.

2. Pursuant to this section, a political subdivision may manage its public rights-of-way and may recover its rights-of-way management costs as set forth in sections 67.1830 to 67.1846. The authority granted in this section may be authorized at the option of the political subdivision, and the exercise of this authority is not mandated pursuant to this section. A political subdivision may, by ordinance:

(1) Require a public utility right-of-way user seeking to excavate within a public right-of-way to obtain a right-of-way permit and to impose permit conditions consistent with the political subdivision's management of the right-of-way;

(2) Require public utility right-of-way users to provide required notice to the political subdivision by submitting plans for anticipated construction projects that require excavation within the public right-of-way; and

(3) In cases of emergency, public utility right-of-way users may proceed with required work without a permit; however, a political subdivision may require submission of the necessary information and permit fee following the emergency.

67.1834. 1. A public utility right-of-way user, after an excavation of a public right-of-way, shall provide for restoration of the right-of-way and surrounding areas, including the pavement and its foundation, in accordance with the standards and conditions of the political subdivision, unless the political subdivision, at its option, chooses to perform its own street restoration, in which case the public utility right-of-way user shall be responsible for reimbursing the political subdivision its reasonable actual restoration costs within thirty days of invoice. Restoration of the public right-of-way shall be completed within the dates specified in the right-of-way permit, unless

the permittee obtains a waiver, extension or a new or amended right-of-way permit. Every right-of-way user to whom a right-of-way permit has been granted shall guarantee for a period of four years the restoration of the right-of-way in the area where such right-of-way user conducted excavation and performed the restoration.

2. If a public utility right-of-way user fails to restore the public right-of-way within the date specified in the right-of-way permit, or has not acquired a waiver or extension to such permit, a political subdivision is authorized to perform its own restoration required as a result of the excavation, and require the public utility right-of-way user to reimburse the political subdivision for the actual costs of such restoration.

67.1836. 1. A political subdivision may deny an application for a right-of-way permit if:

(1) The public utility right-of-way user fails to provide all the necessary information requested by the political subdivision for managing the public right-of-way;

(2) The public utility right-of-way user has failed to return the public right-of-way to its previous condition under a previous permit;

(3) The political subdivision has provided the public utility right-of-way user with a reasonable, competitively neutral, and nondiscriminatory justification for requiring an alternative method for performing the work identified in the permit application or a reasonable alternative route that will result in neither additional installation expense up to ten percent to the public utility right-of-way user nor a declination of service quality;

(4) The political subdivision determines that the denial is necessary to protect the public health and safety, provided that the authority of the political subdivision does not extend to those items under the jurisdiction of the public service commission, such denial shall not interfere with a public utility's right of eminent domain of private property, and such denials shall only be imposed on a competitively neutral and nondiscriminatory basis; or

(5) The area is environmentally sensitive as defined by state statute or federal law or is a historic district as defined by local ordinance.

2. A political subdivision may, after reasonable notice and an opportunity to cure, revoke a right-of-way permit granted to a public utility right-of-way user, with or without fee refund, and/or impose a penalty as established by the political subdivision until the breach is cured, but only in the event of a substantial breach of the terms and material conditions of the permit. A substantial breach by a permittee includes but is not limited to:

(1) A material violation of a provision of the right-of-way permit;

(2) An evasion or attempt to evade any material provision of the right-of-way permit, or the perpetration or attempt to perpetrate any fraud or deceit upon the political subdivision or its citizens;

(3) A material misrepresentation of fact in the right-of-way permit application;

(4) A failure to complete work by the date specified in the right-of-way permit, unless a permit extension is obtained or unless the failure to complete the work is due to reasons beyond the permittee's control; and

(5) A failure to correct, within the time specified by the political subdivision, work that does not conform to applicable national safety codes, industry construction standards, or local safety codes that are no more stringent than national safety codes, upon inspection and notification by the political subdivision of the faulty condition.

3. Any political subdivision that requires public utility right-of-way users to obtain a right-of-way permit, except in an emergency, prior to performing excavation work within a public right-of-way shall promptly, but not longer than thirty-one days, process all completed permit applications. In order to avoid excessive processing and accounting costs to either the political subdivision or the public utility right-of-way user, the political subdivision may establish procedures for bulk processing of permits and periodic payment of permit fees.

67.1838. 1. A public utility right-of-way user that has been denied a right-of-way permit, has had its right-of-way permit revoked, believes that the fees imposed on the public right-of-way user by the political subdivision do not conform to the requirements of section 67.1840 or asserts any other issues related to the use of the public right-of-way, shall have, upon written request, such denials, revocations, fee impositions, or other disputes reviewed by the governing body of the political subdivision or an entity assigned by the governing body for this purpose. The governing body of the political subdivision or its delegated entity shall specify, in its permit processing schedules, the maximum number of days by which the review request shall be filed in order to be reviewed by the governing body of the political subdivision or its delegated entity. A decision affirming the denial, revocation, fee imposition or dispute resolution shall be in writing and supported by written findings establishing the reasonableness of the decision.

2. Upon affirmation by the governing body of the denial, revocation, fee imposition or dispute resolution, the public utility right-of-way user may, in addition to all other remedies and if both parties agree, have the right to have the matter resolved by mediation or binding arbitration. Binding arbitration shall be before an arbitrator agreed to by both the political subdivision and the public utility right-of-way user. The costs and fees of a single arbitrator shall be borne equally by the political

subdivision and the public utility right-of-way user.

3. If the parties cannot agree on an arbitrator, the matter shall be resolved by a three-person arbitration panel consisting of one arbitrator selected by the political subdivision, one arbitrator selected by the public utility right-of-way user, and one person selected by the other two arbitrators. In the event that a three-person arbitrator panel is necessary, each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the expense of the third arbitrator and of the arbitration.

4. Each party to the arbitration shall pay its own costs, disbursements and attorney fees.

67.1840. 1. A political subdivision may recover its right-of-way management costs by imposing a fee for permits issued by the political subdivision. A political subdivision shall not recover from a public utility right-of-way user costs caused by another entity's activity or inactivity in the public right-of-way.

2. Right-of-way permit fees imposed by a political subdivision on public utility right-of-way users shall be:

(1) Based on the actual, substantiated costs reasonably incurred by the political subdivision in managing the public right-of-way;

(2) Based on an allocation among all users of the public right-of-way, including the political subdivision itself, which shall reflect the proportionate costs imposed on the political subdivision by each of the various types of uses of the public rights-of-way;

(3) Imposed on a competitively neutral and nondiscriminatory basis; and

(4) Imposed in a manner so that aboveground uses of the public right-of-way do not bear costs incurred by the political subdivision to regulate underground uses of the public right-of-way.

3. The public utility right-of-way user shall have the right to equitably allocate, and may separately state in the customer's bill, any or all right-of-way permit fees imposed by a political subdivision to:

(1) Customers of the public utility right-of-way user residing in the political subdivision; or

(2) Any specific customer or customers requesting or requiring the public utility right-of-way user to perform work for which the acquisition of a right-of-way permit is necessary.

4. The rights, duties and obligations regarding the use of the public right-of-way imposed pursuant to sections 67.1830 to 67.1846 shall be uniformly applied to all users of the public right-of-way, including the political subdivision.

67.1842. 1. In managing the public right-of-way and in imposing fees pursuant

to sections 67.1830 to 67.1846, no political subdivision shall:

- (1) Unlawfully discriminate among public utility right-of-way users;**
- (2) Grant a preference to any public utility right-of-way user;**
- (3) Create or erect any unreasonable requirement for entry to the public right-of-way by public utility right-of-way users;**
- (4) Require a telecommunications company to obtain a franchise or require a public utility right-of-way user to pay for the use of the public right-of-way, except as provided in sections 67.1830 to 67.1846; or**
- (5) Enter into a contract or any other agreement for providing for an exclusive use, occupancy or access to any public right-of-way.**

2. A public utility right-of-way user shall not be required to apply for or obtain right-of-way permits for projects commenced prior to the effective date of this act, requiring excavation within the public right-of-way, for which the user has obtained the required consent of the political subdivision, or that are otherwise lawfully occupying or performing work within the public right-of-way. The public utility right-of-way user may be required to obtain right-of-way permits prior to any excavation work performed within the public right-of-way after the effective date of this act.

3. A political subdivision shall not collect a fee imposed pursuant to section 67.1840 through the provision of in-kind services by a public utility right-of-way user, nor require the provision of in-kind services as a condition of consent to use the political subdivision's public right-of-way; however, nothing in this subsection shall preclude requiring services of a cable television operator, open video system provider or other video programming provider as permitted by federal law.

67.1844. 1. The performance of excavation work in the public right-of-way shall be in accordance with the applicable safety and construction codes. Nothing in sections 67.1830 to 67.1846 shall be construed as limiting the authority of the political subdivision to require public utility right-of-way users to comply with national safety codes and all other applicable zoning and safety ordinances, to the extent not inconsistent with public service commission laws or administrative rules.

2. Any contractor or subcontractor used for the performance of excavation work in the public right-of-way shall be properly licensed pursuant to the laws of the state and all applicable local ordinances if required, and each contractor or subcontractor shall have the same obligations with respect to its work as a public utility right-of-way user would have pursuant to sections 67.1830 to 67.1846 and applicable laws if the work were performed by the public utility. The public utility right-of-way user shall be responsible for ensuring that the work of contractors and subcontractors is performed consistent with its permits and applicable law and responsible for promptly correcting

acts or omissions by any contractor or subcontractor.

67.1846. 1. Nothing in sections 67.1830 to 67.1846 relieves the political subdivision of any obligations under an existing franchise agreement in effect on May 1, 2001. Nothing in sections 67.1830 to 67.1846 will apply to that portion of any ordinance passed prior to May 1, 2001, which establishes a street degradation fee. Nothing in sections 67.1830 to 67.1846 shall be construed as limiting the authority of county highway engineers or relieving public utility right-of-way users from any obligations set forth in chapters 229 to 231, RSMo. Nothing in sections 67.1830 to 67.1846 shall be deemed to relieve a public utility right-of-way user of the provisions of an existing franchise, franchise fees, license or other agreement or permit in effect on May 1, 2001. Nothing in sections 67.1830 to 67.1846 shall prohibit a political subdivision or public utility right-of-way user from renewing or entering into a new or existing franchise, as long as all other public utility right-of-way users have use of the public right-of-way on a nondiscriminatory basis. Nothing in sections 67.1830 to 67.1846 shall prevent a grandfathered political subdivision from enacting new ordinances, including amendments of existing ordinances, charging a public utility right-of-way user a fair and reasonable linear foot fee or antenna fee or from enforcing or renewing existing linear foot ordinances for use of the right-of-way, provided that the public utility right-of-way user either:

(1) Is entitled under the ordinance to a credit for any amounts paid as business license taxes or gross receipts taxes; or

(2) Is not required by the political subdivision to pay the linear foot fee if the public utility right-of-way user is paying gross receipts taxes.

For purposes of this section, a "grandfathered political subdivision" is any political subdivision which has, prior to May 1, 2001, enacted one or more ordinances reflecting a policy of imposing any linear foot fees on any public utility right-of-way user, including ordinances which were specific to particular public right-of-way users. Any existing ordinance or new ordinance passed by a grandfathered political subdivision providing for payment of the greater of a linear foot fee or a gross receipts fee shall be enforceable only with respect to the linear foot fee.

2. Nothing in sections 67.1830 to 67.1846 shall prohibit a political subdivision from enacting, renewing or enforcing provisions of an ordinance to require a business license tax, sales tax, occupation tax, franchise tax or franchise fee, property tax or other similar tax, to the extent consistent with federal law. Nothing in sections 67.1830 to 67.1846 shall prohibit a political subdivision from enacting, enforcing or renewing provisions of an ordinance to require a gross receipts tax pursuant to chapter 66, chapter 92, or chapter 94, RSMo. For purposes of this subsection, the term "franchise

fee" shall mean "franchise tax".

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