



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 22-0398	Date:	February 10, 2022
Prime Sponsors:	Sen. Coram Rep. Catlin	Bill Status:	Senate SVMA
		Fiscal Analyst:	Will Clark 303-866-4720 Will.Clark@state.co.us

Bill Topic: **BROADBAND PROVIDER'S USE OF PUBLIC RIGHTS-OF-WAY**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill allows the Department of Transportation to enter into exclusive agreements with broadband providers for use of the public rights-of-way. The bill increases state revenue and expenditures on an ongoing basis beginning in FY 2022-23.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

Current law prohibits the Department of Transportation (CDOT) from entering into exclusive agreements with telecommunications providers for the use of public rights-of-way. This bill creates an exemption for agreements with broadband providers. Any exclusive agreement that CDOT enters into with a broadband provider must only include reasonable fees that directly relate to the processing of the permitting application.

State Revenue

Beginning in FY 2022-23 and to the extent that CDOT enters into agreements with broadband providers, fee revenue to the State Highway Fund will increase. The amount of any additional fee revenue will depend on the number of permit applicants and the amount of fees charged to process applications. This revenue is subject to TABOR.

State Expenditures

Beginning in FY 2022-23, this bill increases CDOT workload and potential expenditures on an ongoing basis, as described below. Costs are indeterminate and will be addressed through CDOT's annual budget process. Costs will be at least partially offset by fee revenue.

Permitting. Workload in CDOT will increase to process new right-of-way permits, including rulemaking, computer programming, fee collection, invoicing, and permit enforcement. In order to allow new permits to be received, CDOT will make adjustments to its Salesforce application. Actual workload and costs will depend on the overall number of agreements the department enters into with broadband providers.

Monitoring. The bill requires CDOT engineering regions to monitor any new agreements between the department and broadband providers. This includes workload by CDOT inspectors to monitor any work by broadband providers in rights-of-way. The amount of additional workload will depend on the number of applications from broadband providers and the location of work on public rights-of-way.

Other Budget Impacts

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by an indeterminate amount as discussed in the State Revenue section above. This estimate assumes the December 2021 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2023-24. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties
Regulatory Agencies

Information Technology
Transportation