



OFFICE OF MANAGEMENT & BUDGET

State Budget Office

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 222-6300

State Fiscal Note for Bill Number:

2026-H 7244

Date of State Budget Office Approval: Friday, March 13, 2026

Date Requested: Monday, March 9, 2026

Date Due: Thursday, March 19, 2026

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2026	\$0	FY 2026	N/A
FY 2027	Indeterminate	FY 2027	N/A
FY 2028	Indeterminate	FY 2028	N/A

Explanation by State Budget Office:

This bill would require that whenever the State initiates relocation of utility facilities owned by municipalities, political subdivision, authorities, or agencies of the State in connection with a highway project on the federal aid primary or secondary systems or on the national system of interstate and defense highways for which the State is entitled to reimbursement from federal funds for any portion of the cost of the project, then the State must fully reimburse the owner of the utility facilities for the cost of the relocation. The act would take effect upon passage.

Summary of Facts and Assumptions:

It is assumed that this bill would not be enacted in time for there to be an impact on FY 2026. Prior to 2022 the State was required to fully reimburse all utilities, both publicly and privately owned, for utility facility relocations for federally funded projects. R.I.P.L. 2022, ch. 341 reduced the reimbursement rate to 50% for all utilities. This bill would restore full reimbursement for publicly owned utilities and leave the reimbursement rate at 50% for privately owned utilities. Restoring full match for utility relocation for publicly owned utilities, such as those maintained and operated by municipalities, would affect large and small utility infrastructure components. Publicly owned utilities typically encompass water and sewer, as most power and gas infrastructure is privately held and maintained. There is no comprehensive accounting of utility infrastructure. This bill would affect highway projects undertaken by the Department of Transportation (RIDOT) for which federal reimbursement is received. Typically, such projects are funded with an 80% federal share and a 20% state match, the latter of which is financed with a mix of Rhode Island Capital Asset Plan (RICAP) funds and funds from the Intermodal Surface Transportation Fund, which is funded through gas tax revenues and deposits (primarily from vehicle registration fees) into the Highway Maintenance Account. Raising the reimbursement rate for utility relocations would increase the cost of highway projects. This would likely result in RIDOT scaling back projects or possibly even undertaking fewer projects, but the impact of this bill cannot be determined because RIDOT does not maintain a listing of utility infrastructure potentially impacted by the State Transportation Improvement Plan. Costs for relocation of individual pieces of utility infrastructure vary widely based on the project scope and nature of the facility being relocated.



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Comments on Sources of Funds:

This would impact a mix of federal funds, restricted receipts, and other funds, as detailed above.

Summary of Fiscal Impact:

This bill would result in increased costs for highway projects which are eligible for federal funding, but it is not possible to determine magnitude.

Budget Office Signature:  Digitally signed by Joseph Codega
Date: 2026.03.13 09:54:21 -04'00'

Fiscal Advisor Signature: 

see attached comments

House Fiscal Advisor Comments H 7244:

The fiscal note from the Office of Management and Budget concludes that it cannot project the specific impact of the change due to wide cost variability and the lack of a statewide list of utility infrastructure.

The House Fiscal staff requested some additional information regarding the 50 percent cost-sharing with municipalities under the current law. Since the legislation was passed in 2022, the estimated value of that cost-sharing is \$1.1 million in FY 2023, \$1.0 million in FY 2024, and \$2.0 million in FY 2025. This is only meant to provide a rough estimate of past costs attributable to the 2022 law change, offering some range of potential impacts.

