

Department of Planning and Budget
2018 Fiscal Impact Statement

1. Bill Number: HB1427

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Kilgore

3. Committee: Commerce and Labor

4. Title: Wireless support structures; public rights-of-way use fees.

5. Summary: Establishes an annual wireless support structure public rights-of-way use fee to be charged to wireless services providers and wireless infrastructure providers in connection with a permit for occupation and use of the public rights-of-way under the jurisdiction of the Department of Transportation (VDOT) or a locality for the construction of new wireless support structures. The amount of the use fee is (i) \$1,000 for any wireless support structure at or below 50 feet in height; (ii) \$3,000 for any wireless support structure above 50 feet and at or below 120 feet in height; (iii) \$5,000 for any wireless support structure above 120 feet in height; and (iv) \$1 per square foot for any other equipment, shelter, or associated facilities constructed on the ground. The measure provides that the use fee amounts shall be adjusted every five years on the basis of inflation. The measure also provides that an existing agreement, contract, license, easement, or permit allowing the use of the public rights-of-way by a wireless services provider or wireless infrastructure provider may be enforced by VDOT or the locality only until the current term of the agreement, contract, license, easement, or permit expires.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary, See Item 8.

8. Fiscal Implications: According to the Virginia Department of Transportation, current annual fees for wireless communications towers on rights-of-way are \$24,000 each. There are 79 towers presently generating \$1,896,000 in annual fees for VDOT.

Under this proposal, various fees would be charged depending on support structure height and square footage of associated equipment, shelter or facilities constructed on the ground. Assuming the maximum \$5,000 fee allowed through this legislation for the towers, and 100 square feet of related ground equipment and facilities at each tower, \$402,900 would be generated annually.

This possible reduction in fees, though, would phase in over five years as individual occupancy agreement terms expire. If more towers are installed due to the reduced annual fee for each site, overall revenue may increase or stay constant. It is currently not possible to determine how many new towers could be expected.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation. All localities maintaining their own road system.

10. Technical Amendment Necessary: No.

11. Other Comments: SB 823 is the companion to this bill.