

SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2544

As Recommended by House Committee on
Energy, Utilities and Telecommunications

Brief*

HB 2544 would establish the Relocation Reimbursement Assistance Payment Program and its corresponding fund for the purpose of reimbursing communication service providers that were required to relocate facilities located in the public right-of-way pursuant to a request, order, or directive of a municipality.

Relocation Reimbursement Assistance Fund

The bill would create the Relocation Reimbursement Assistance Fund (Fund) in the State Treasury, to be administered by the State Treasurer. The bill would require the State Treasurer, in each fiscal year, to make direct payment from the Fund to any communications service provider (provider) that qualifies for assistance under the bill.

On July 1, 2027, and each year thereafter, \$2.0 million from the amount of premium taxes paid to the Commissioner of Insurance by certain insurance companies, which is credited to the State General Fund (SGF), would be transferred to the Fund.

Starting July 1, 2026, interest earnings would be transferred from the SGF to the Relocation Reimbursement Assistance Fund on or before the 10th day of each month. These interest earnings would be based on:

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

- The average daily balance of moneys in the Fund for the preceding month; and
- The net earnings rate of the Pooled Money Investment Portfolio for the preceding month.

Relocation Reimbursement Assistance Payment Program

The bill directs the State Treasurer to establish and administer a Relocation Reimbursement Assistance Payment Program for communication service providers that were required to relocate facilities located in the public right-of-way pursuant to a request, order, or directive of a municipality.

Applications

Each fiscal year, the State Treasurer would accept applications from providers that are seeking payment from the Fund pursuant to the program. The State Treasurer would create the application form and determine the manner of its submission.

The application would include:

- The name and business address of such provider;
- Evidence of the request, order, or directive to relocate facilities located in the public right-of-way issued to the provider by a municipality;
- Proof of the costs incurred by the provider in the preceding fiscal year to relocate any facilities pursuant to the request, order, or directive; and
- Any other information required by the State Treasurer.

The State Treasurer would review and verify each application submitted pursuant to the program.

A communications service provider that submits a valid application would be approved for payment from the Fund according to the subsequent section.

Payments to Providers

The bill directs the State Treasurer to identify for each fiscal year the amount in the Fund that will be made available for reimbursement payments to providers pursuant to the bill.

The State Treasurer would then make payment from the Fund to each approved provider. Under the bill, a provider would be entitled to receive payment for any approved costs that were incurred in the preceding fiscal year by the provider to relocate facilities located in the public right-of-way pursuant to a request, order, or directive of a municipality. Payment would be made to each provider for their total approved costs, provided that the Fund has sufficient moneys.

If the amount available in the Fund is insufficient to pay each provider in full, the bill directs the State Treasurer to prorate the total available amount among all eligible providers in proportion to the amount that each provider would otherwise be entitled to receive.

Definitions

The bill would define the following terms:

- “Communications service provider” to mean any:
 - Electing carrier pursuant to continuing telecommunications law;
 - Telecommunications carrier as defined in continuing telecommunications law;

- Video service provider as defined in continuing telecommunications law; or
 - A local exchange carrier electing price cap regulation pursuant to continuing telecommunications law with a valid franchise, franchise agreement, franchise ordinance, contract franchise, or contract franchise ordinance pursuant to the provisions of continuing franchise law; and
- “Municipality” to mean any city, county, or township.

Background

The bill was introduced by the House Committee on Energy, Utilities and Telecommunications at the request of a representative of Charter Communications Operating, LLC.

House Committee on Energy, Utilities and Telecommunications

In the House Committee hearing, **proponent** testimony was provided by representatives of Charter Communications, Cox Communications, Kansas Municipal Utilities, and the League of Kansas Municipalities, who generally stated that relocation of utility equipment is often required for public improvement projects and that this bill would help cover the unanticipated costs of forced equipment relocations for broadband, telephone, and cable providers that do not otherwise have access to cost-recovery mechanisms. The proponents explained that the bill would not add to Kansans’ property tax burden.

Written-only proponent testimony was provided by representatives of AT&T, the City of Overland Park, and the Communications Coalition of Kansas.

Neutral testimony was provided by a representative of the Kansas Association of Counties, who stated the bill as drafted does not create additional burdens for county governments or taxpayers, but the organization would oppose any expansion beyond this legislation.

Written-only neutral testimony was provided by a representative of the Northeast Johnson County Cities of Merriam, Prairie Village, and Roeland Park.

Written-only **opponent** testimony was provided by a local road engineer. The opponent raised concerns that the bill would shift relocation costs from the utility to the taxpayer and that other utilities occupying the right-of-way may seek similar reimbursement mechanisms.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of Budget on the bill, the State Treasurer estimates that enactment of the bill would increase expenditures from the SGF by \$2.0 million each year beginning in FY 2028. Demand transfers from the SGF are treated as expenditures from the SGF for budgetary purposes.

The State Treasurer discussed the bill with a communication service provider who estimates that approximately 10 applications for reimbursement would be received each year. Based on that number of applications, the State Treasurer estimates that the bill would require \$26,750 in FY 2027 to implement the bill, including \$23,250 for salaries and wages and \$3,500 for overhead expenses. Assuming 10 applications each year, the bill would require that the State Treasurer hire 0.25 new FTE positions to assist with the administration of this new program, including reviewing and approving applications.

The Kansas Department of Insurance indicates that the bill would have no fiscal effect on insurance premiums tax collections and would have no fiscal effect on its operations. Any fiscal effect associated with the bill is not reflected in *The FY 2027 Governor's Budget Report*.

The League of Kansas Municipalities and the Kansas Association of Counties indicate the bill would have no fiscal effect on local governments.

Telecommunications; right-of-way; relocation reimbursement assistance fund; relocation reimbursement assistance payment program; state treasury