

1                   **UTILITY RELOCATION COST SHARING AMENDMENTS**  
2                                   2024 GENERAL SESSION  
3                                   STATE OF UTAH  
4                   **Chief Sponsor: Kay J. Christofferson**  
5                                   Senate Sponsor: Wayne A. Harper

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7 **LONG TITLE**

8 **General Description:**

9       This bill amends provisions related to allocation of costs to relocate utility infrastructure  
10 within state highway and certain public transit rights-[-]of-[-]way.

11 **Highlighted Provisions:**

12       This bill:

- 13       ▶ defines terms;
- 14       ▶ requires coordination and cooperation between the Department of Transportation and  
15 utilities impacted by certain capital development projects;
- 16       ▶ provides for sharing of utility relocation costs caused by certain capital development  
17 projects for which the Department of Transportation has oversight and supervision;
- 18       ▶ requires the Department of Transportation to abide by agreements with a utility relevant  
19 to the relocation of utility infrastructure; and
- 20       ▶ makes technical changes.

21 **Money Appropriated in this Bill:**

22       None

23 **Other Special Clauses:**

24       None

25 **Utah Code Sections Affected:**

26 AMENDS:

27       **72-6-116**, as last amended by Laws of Utah 2020, Chapter 80

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28 *Be it enacted by the Legislature of the state of Utah:*

29       Section 1. Section **72-6-116** is amended to read:

30       **72-6-116 . Regulation of utilities -- Relocation of utilities.**

28 (1) As used in this section:

29 (a) "Cost of relocation" includes the entire amount paid by the utility company properly  
30 attributable to the relocation of the utility after deducting any increase in the value of  
31 the new utility and any salvage value derived from the old utility.

32 (b) "Department project" means:

33 (i) a state highway project, including the construction of a proposed state highway  
34 and the improvement, widening, or modification of an existing state highway; or

35 (ii) a fixed guideway capital development project for which the department has  
36 oversight and supervision, including a transit station, passenger loading or  
37 unloading zone, parking lot, or other facility that is constructed or reconstructed  
38 immediately adjacent to a fixed guideway that is part of a fixed guideway capital  
39 development project.

40 [(b)] (c) "Exempt water supplier" means an entity that directly or indirectly supplies at  
41 least a portion of the entity's water for culinary purposes to the public for municipal,  
42 domestic, or industrial use, and is:

43 (i) a water corporation, as defined in Section 54-2-1, that is regulated by the Public  
44 Service Commission; or

45 (ii) a community water system:

46 (A) that either supplies water to at least 100 service connections used by  
47 year-round residents, or regularly serves at least 200 year-round residents; and

48 (B) whose voting members own a share in the community water system, receive  
49 water from the community water system in proportion to the member's share in  
50 the community water system, and pay the rate set by the community water  
51 system based on the water the member receives.

52 [(e)] (d) "Utility" includes telecommunication, crude oil, petroleum products, gas,  
53 electricity, cable television, water, sewer, data, and video transmission lines, drainage  
54 and irrigation facilities, and other similar utilities whether public, private, or  
55 cooperatively owned.

56 [(d)] (e) "Utility company" means a privately, cooperatively, or publicly owned utility,  
57 including utilities owned by political subdivisions.

58 (2) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
59 the department may make rules for the installation, construction, maintenance, repair,  
60 renewal, system upgrade, and relocation of all utilities.

61 (b) If the department determines under the rules established in this section that it is

62 necessary that any utilities should be relocated, notwithstanding any other provision  
63 of this section:

64 (i) ~~the utility company owning or operating the utilities shall relocate the utilities [in~~  
65 ~~accordance with this section and the]~~ after receiving an order of the department[.];  
66 and

67 (ii) the cost allocations described in Subsection (3) shall apply.

68 (3) (a) The department shall pay 100% of the cost of relocation of a utility to  
69 accommodate construction of a ~~[state highway project, including the construction of~~  
70 ~~a proposed state highway and the improvement, widening, or modification of an~~  
71 ~~existing state highway]~~ department project if the:

72 (i) utility is owned or operated by:

73 (A) a political subdivision of the state; or

74 (B) an exempt water supplier;

75 (ii) utility company owns the easement or fee title to the right-of-way in which the  
76 utility is located; or

77 (iii) utility is located in a public utility easement as defined in Section 54-3-27.

78 (b) Except as provided in Subsection (3)(a), (c), or (d) or Section 54-21-603, the  
79 department shall pay 50% of the cost of relocation of a utility to accommodate  
80 construction of a ~~[state highway project, including the construction of a proposed~~  
81 ~~state highway and the improvement, widening, or modification of an existing state~~  
82 ~~highway]~~ department project, and the utility company shall pay the remainder of the  
83 cost of relocation.

84 ~~[(c) If the utility described in Subsection (3)(b) is a crude oil or petroleum products~~  
85 ~~pipeline, unless the utility meets the conditions described in Subsection (3)(a):]~~

86 ~~[(i) the utility company shall pay the lesser of:]~~

87 (c) Subject to Subsection (3)(e), if a utility company is responsible to pay for a portion  
88 of a utility relocation as described in Subsection (3)(b):

89 (i) the utility shall pay the lesser of:

90 (A) 50% of the cost of relocation of the ~~[pipeline]~~ utility to accommodate  
91 construction of a ~~[proposed state highway and the improvement, widening, and~~  
92 ~~modification of an existing highway]~~ department project; or

93 (B) 50% of the cost of any structure or facility necessary to avoid impinging on  
94 the ~~[pipeline, and the department shall pay the remainder of the cost of the~~  
95 ~~structure or facility; and]~~ utility;

- 96 (ii) the department shall pay the remainder of the cost, which is the total cost less the  
97 portion paid by the utility under Subsection (3)(c)(i); and
- 98 (iii) the department shall make the final decision whether to proceed under:  
99 (A) Subsection (3)(c)(i)(A); or  
100 (B) Subsection (3)(c)(i)(B).
- 101 (d) This Subsection (3) does not affect the provisions of Subsection 72-7-108(5).
- 102 (e) (i) If the department or a large public transit district has entered into a written  
103 agreement with a utility before May 1, 2024, pertaining to the use of right-of-way  
104 by the utility and relocation costs, the department and the utility shall abide by the  
105 terms of the agreement when constructing a fixed guideway capital development  
106 project.
- 107 (ii) If the department has entered into a written agreement with a utility pertaining to  
108 the use of right-of-way by the utility and relocation costs, the department and the  
109 utility shall abide by the terms of the agreement when constructing a department  
110 project.
- 111 (4) If a utility is relocated, the utility company owning or operating the utility, its  
112 successors or assigns, may maintain and operate the utility, with the necessary  
113 appurtenances, in the new location.
- 114 (5) In accordance with this section, the cost of relocating a utility in connection with any [  
115 ~~project on a highway is a cost of highway construction~~] department project is a cost of  
116 construction for the department project.
- 117 (6) (a) The department shall notify affected utility companies, in accordance with  
118 Section 54-3-29, whenever the relocation of utilities is likely to be necessary because  
119 of a [~~reconstruction~~] department project.
- 120 (b) The notification shall be made during the preliminary design of the project or as soon  
121 as practical in order to minimize the number, costs, and delays of utility relocations.
- 122 (c) [~~A utility company notified~~] When the department notifies a utility company under  
123 this Subsection (6):
- 124 (i) the utility shall coordinate and cooperate with the department and the department's  
125 contractor on the utility relocations, including the scheduling of the utility  
126 relocations[-] ; and
- 127 (ii) the department and the utility shall strive to identify conflicts, minimize utility  
128 relocation costs and operational impacts, minimize department project costs and  
129 delays, and coordinate and cooperate with one another.

130           Section 2. **Effective date.**

131              This bill takes effect on May 1, 2024.