



Oppose HB 3049 – Legislation will Disincentivize Broadband Expansion, Utility Maintenance and Disproportionately Impact Rural Oregonians

Disproportionately Impacts Rural Oregon

HB 3049 will result in county assessed right-of-way permit fees. Frequently these fees are assessed on a per mile or even per foot basis. These fees will add up more quickly in rural Oregon compared to urban areas.

Disincentivizes Broadband Deployment

At no time has broadband deployment been a higher priority for Oregon, especially in rural and remote Oregon. HB 3049 will add unanticipated costs to planned projects, disincentivizing broadband expansion in rural communities. Oregon should consider ways to streamline and encourage broadband deployment – not legislation like this that adds further costs.

Impacts Energy and Water Utility Maintenance

Recent wildfire and ice storm events have demonstrated the need for continued maintenance of these utility systems. This bill will increase maintenance costs, making it more challenging to ensure their long-term viability and sustainability.

Unfairly Exposes Utilities to Uncertain Damages

HB 3049 allows counties to charge an affected utility for the costs incurred by the public body from failure to relocate facilities including actual and “liquidated” damages. Liquidated damages are meant as a fair representation of losses in situations where actual damages are difficult to ascertain, or in contractual relationships and should not be used in this context. Additionally, counties have broad authority to determine the notice and parameters of relocation and potentially have an adverse incentive to pursue coordination beyond an initial notice.

Creates Duplicative Tax Burden

Many utilities and telecom providers have city and county franchise agreements that include right of way fees. Those utilities with city franchise agreements are allowed to deduct additional permit fees from franchise payments. HB 3049 does not allow that deduction and at a minimum should provide the same opportunity to deduct new county right-of-way fees from their county tax liability. If HB 3049 advances, it must be **amended to allow for this deduction**. Additionally, there are county roads to run through city boundaries, which potentially creates confusion and overlapping taxation, which must be addressed.

This proposal would be challenging given the lack of stakeholder engagement in a regular session. In this 2021 legislative session, it is difficult to effectively advocate for or against any measure and challenging to have meaningful negotiations on legislation. A bill that will impact so many Oregonians and the services they need should not be considered until normal legislative activity can occur.

Please Oppose HB 3049!