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INTRODUCTION
Most Tennessee cities have utilities located in a state highway right-of-way. When the relocation of such utilities is required for state highway improvements, cities may be required to pay for the relocation. The relocation may be very expensive for a city, and such expenses are often not anticipated and budgeted.

Under the provisions of T.C.A. § 54-5-804, cities may request that the Tennessee Commissioner of Transportation include the cost of relocating utilities on state rights-of-ways as part of construction cost. If federal highway funds are being used to fund the project, such cost may be approved by the commissioner.

NOTIFICATION TO THE CITY
T.C.A. § 54-5-803 provides that the department (Tennessee Department of Transportation) notify the city with utilities occupying the rights-of-way of proposed construction of highway improvements by certified mail, return receipt requested, addressed to the designated representative of the city.

Within 60 days following receipt of the notice, the city informs the department whether or not it is the owner of the utilities and if so, the type of utility service, description and general location of each utility. If the city fails to respond within the time prescribed, the department will send a second notice by certified mail, return receipt requested, the failure of the city to comply with the provisions of the notice will create a presumption that it is not an owner, and the department and its contractor may then undertake construction without liability to the owner for damages to the city’s utilities.

RELOCATION OF UTILITIES BY THE DEPARTMENT
The department’s contractor shall be liable for any damages negligently inflicted to the city’s utilities. If the city fails to comply with required provisions, the contractor, with consent of the department, may undertake construction without liability to the city for damages to the city’s utilities, and the city shall be liable to the contractor for damages resulting from the failure.

DRAWINGS, PLANS FOR RELOCATION AND SCHEDULE FOR RELOCATION
Once the owner of the utility is notified and the owner has responded as requested, the department provides the city with two sets of complete project plans by certified mail or hand delivery. The city has 120 calendar days following the receipt of the plans to mark on the plans the approximate location of utilities, any proposed new utilities within the right-of-way and prepare a plan and a schedule of calendar days to accomplish the proposed new location for utilities. The marked plans and schedule for
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CONSTRUCTION PROGRESS REPORTS
During the construction phase of the project, the city shall furnish the department with monthly progress reports regarding the status of the relocation of the utility, until its relocation is completed. If the city regularly reports progress during the course of pre-construction meetings held by the contractor and the department, the progress report requirement shall be met. The contents of the reports shall be reflected in the minutes of the meeting, and the minutes shall constitute the monthly progress report, whether or not the meetings are held on a monthly basis.

CIVIL PENALTIES FOR NON-COMPLIANCE
If the city fails to complete the relocation of utilities within the approved schedule of calendar days, the commissioner shall have the authority to assess and collect from the city a civil penalty of $500 for each calendar day after the scheduled completion date that the city fails to complete the required relocation. If the city has less than 3,000 customers, the city shall be subject to a civil penalty of $250 per calendar day when the city fails to complete the relocation of utilities within the approved schedule of calendar days.

APPEAL PROVISIONS
The department shall give the city written notice of the intent to assess a civil penalty and the opportunity to appear before the commissioner or his/her designee to show cause why the penalty should not be assessed. Upon findings that a civil penalty should be assessed, the commissioner or his/her designee shall issue an appropriate order to the city. If the penalty is not paid within 90 days after entry of the order, the matter shall be turned over to the attorney general and reporter for collection, and the...
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City shall be liable for all expenses associated with the enforcement action, including court costs and attorney fees.

RECOMMENDATIONS
MTAS recommends that cities pay particular attention to proposed construction notices issued by the Tennessee Department of Transportation that may involve utility relocations. Such notices should be reviewed with the city’s utility engineer and the city’s attorney should review the provisions of T.C.A. §§ 54-5-853—854 to ensure that the city fully complies with the notices of the Tennessee Department of Transportation. Public works and utility directors and supervisors should become familiar with the regulations governing the relocation of utilities on a state right-of-way. The city should request that the commissioner include the relocation of utilities as a project cost to the state when federal highway dollars are being used to fund highway improvements.