

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1914/3		Introduction Number AB-0207	
Description Regulation of cable television and video service providers			
Fiscal Effect			
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 30%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around; font-size: small;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div>			
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <div style="display: flex; justify-content: space-around;"> <div style="width: 30%;"> <input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts </div> <div style="width: 30%;"> <input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts </div> <div style="width: 30%;"> <input type="checkbox"/> Cities </div> </div>			
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.144(1)(g)			
Agency/Prepared By DFI/ Susan Dietzel (608) 267-0399		Authorized Signature Susan Dietzel (608) 267-0399	Date 3/26/2007

Fiscal Estimate Narratives

DFI 3/27/2007

LRB Number	07-1914/3	Introduction Number	AB-0207	Estimate Type	Original
Description Regulation of cable television and video service providers					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates new responsibilities for the Department associated with a "video service franchise." Currently, municipalities grant cable franchises to cable operators. Under this bill, the Department is given the responsibility to review application requests for completeness and to issue a franchise within 10 days if the application is complete. The bill does not include any fees payable to the Department.

The bill prohibits the Department from regulating rates of service providers if there are at least two providers serving a municipality. However, it does not specify whether rates are to be regulated in the case of a single provider or whether it would be the responsibility of the Department or municipality to regulate rates.

Large telecommunication video service providers are to file an annual report with the department regarding the service provider's progress in complying with access to services requirements. If the provider is not in compliance, it can apply for and be granted an extension if the video service provider demonstrates to the satisfaction of the department that the provider has made substantial and continuous efforts to comply. The bill does not define substantial and continuous efforts, nor does it prescribe alternatives to granting an extension or waiver.

While many of the provisions of the bill pertaining to the Department are largely related to document processing and record management, the need for knowledgeable staff to answer questions, direct inquiries, process requests for extensions, and respond to complaints that will occur will be necessary. Staff will also be required to process applications and other documents and potentially regulate rates. The number of applications likely to occur is not known. Under similar legislation in Texas, 90 applications were received in the first year and a half.

In addition, an information system would be created to support access to information associated with video service provider applications and annual reports.

Estimated Costs:

1 senior level professional staff @\$58,000 \$ 58,000

2 examination staff @ \$45,000 each 90,000

41.1% fringe benefits 55,500

\$2,000 supplies and services each 6,000

One-Time System Development Costs 50,000

1st year costs \$259,500

On-going system maintenance costs \$ 10,000

Because no fees are included, the reduction to the general fund would be \$259,500 in the first year and \$219,500 on-going.

Long-Range Fiscal Implications