

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 7, 2003

TO: Honorable Phil King, Chair, House Committee on Regulated Industries

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2088 by Goodman (Relating to the authorized review by municipalities of a certificated telecommunications provider's business records regarding payment of right of way fees.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill amends the Utilities Code to establish uniform procedures for municipalities to conduct authorized reviews of a certified telecommunications provider's business records regarding payment of right of way fees.

The analysis by the Public Utility Commission indicates some costs may be associated with implementing the provisions of the bill. It is assumed the agency could absorb the costs associated with the bill within its current resources.

Local Government Impact

The Public Utility Commission (PUC) anticipates some impacts upon the municipalities that participate in a fee-per-access-line arrangement under Chapter 283 of the Local Government Code, if such municipalities wish to pursue quarterly municipal authorized reviews. Some municipalities may perform the reviews with in-house staff; others with contract workers, which could cost from \$7,500 to \$10,000 for a review. Larger cities would be better able to absorb these costs more easily than smaller cities. However, in instances where a certified telecommunications provider (CTP) is shown to be non-compliant with Chapter 283 by the review or who fails to provide complete records during the review process, Section 283.056(g)(5) would subject the non-compliant CTP to payment of all the municipality's authorized review costs, plus interest. The total amount of uncollected revenue statewide is not known. But the city of Arlington reported that the bill could create as much as \$374,000 per year in revenue gains from fees charged for underreported access lines.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JK, JRO, RT, JW, KG