

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATURE 2nd CALLED SESSION - 2005

August 9, 2005

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

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB5 by Fraser (Relating to furthering competition in the communications industry.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB5, As Engrossed: a negative impact of (\$1,275,162) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$637,581)
2007	(\$637,581)
2008	(\$637,581)
2009	(\$637,581)
2010	(\$637,581)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/(Cost) from <i>APPROPRIATED RECEIPTS 666</i>	Probable Revenue Gain/ (Loss) from <i>APPROPRIATED RECEIPTS 666</i>
2006	(\$637,581)	(\$155,912)	\$155,912
2007	(\$637,581)	(\$155,912)	\$155,912
2008	(\$637,581)	(\$155,912)	\$155,912
2009	(\$637,581)	(\$155,912)	\$155,912
2010	(\$637,581)	(\$155,912)	\$155,912

Fiscal Year	Change in Number of State Employees from FY 2005
2006	16.0
2007	16.0
2008	16.0
2009	16.0
2010	16.0

Fiscal Analysis

The bill would restructure telecommunications regulation, allow electric utilities to provide broadband over powerlines, and provide for a statewide cable and video franchise administered by the Public Utility Commission. The bill also requires the Public Utility Commission to evaluate the Universal Service Fund and report to the Legislature.

Methodology

The bill would require funding for 13 additional positions at the Public Utility Commission related to allowing broadband over powerlines and to providing for a statewide cable and video franchise, totaling \$637,581 in General Revenue each fiscal year. Any additional costs associated with the restructure of telecommunications regulation could be absorbed within the agency's existing resources.

The bill would also require funding for 3.0 additional positions related to evaluation and reporting on the Universal Service Fund (USF) totaling \$155,912 in Appropriated Receipts from the USF each year. It is anticipated that all costs would be reimbursed from the USF as Appropriated Receipts.

Local Government Impact

The fiscal implications to local governments cannot be determined at this time.

Source Agencies: 473 Public Utility Commission of Texas, 304 Comptroller of Public Accounts

LBB Staff: JOB, WP, SR, DLBa, SD, MW, RB