

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 13, 2005

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: SB598 by Madla (Relating to providing and maintaining an emergency radio infrastructure.),
As Introduced

No fiscal implication to the State is anticipated.

The bill would create a fee for providing and maintaining an emergency radio infrastructure administered by regional planning commissions (RPCs) with an established regional emergency radio plan and an emergency radio infrastructure.

This bill would allow RPCs to set a fee of up to 50 cents on each local exchange access line and equivalent local exchange access line. The RPC could institute legal proceedings to collect any delinquent fees.

The bill provides that the local exchange service provider is entitled to retain an administrative fee of two percent of the amount of fees the supplier collects.

Additional funding, including grants, could be accepted by RPCs from participating governmental units, the state, the federal government or other sources. The bill provides that the state may appropriate funds for costs and expenses required to provide and maintain an emergency radio infrastructure.

Local Government Impact

The bill would allow RPCs to set a fee of up to 50 cents on each local exchange access line and equivalent local exchange access line. There are approximately 20 million local exchange access and equivalent local exchange access lines in the state. If the maximum fee of \$6 were assessed annually on each access line, the annual fee from 20 million phones would potentially generate \$120 million. The fees would be collected locally and assuming that \$120 million were collected, the net revenues generated would be \$117.6 million (\$120 million less 2 percent administrative fee which is approximately \$2.4 million).

It is assumed that costs to regional planning commissions to implement the provisions of the bill would be recovered by grants or funds from participating governmental units, the state, the federal government, or other sources. If a regional planning commission has to institute legal proceedings to collect fees not paid, court costs, attorney's fees, and interest may be recovered from nonpaying customers.

Source Agencies: 304 Comptroller of Public Accounts, 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel, 477 Commission on State Emergency Communications

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