

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 12, 2019

TO: Honorable Dade Phelan, Chair, House Committee on State Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **SB1152** by Hancock (relating to the payment of certain fees to municipalities by entities that provide telecommunications and cable or video services.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code regulating the fees that municipalities may charge telecommunications providers for use of the city's right-of-way. If a provider provides telephone and cable over the same line, under current law that provider must pay twice for the same line in a single right-of-way because the fees are duplicated in separate codes. The bill would require the provider to pay the city the larger of the two fees, but not both.

The bill is not anticipated to have a fiscal impact on the State.

Local Government Impact

The bill would have a negative fiscal impact on municipalities due to a loss of revenue from telecommunications providers. Cities estimating losses include: Houston (\$17.1 million - \$27.5 million); Dallas (\$9.2 million); San Antonio (\$7.9 million); Austin (\$6.3 million); Arlington (\$2.8 million); Sugar Land (\$1.2 million); Plano (\$734,017); Denton (\$669,548); Waco (\$373,194); and City of the Colony (\$235,000).

Source Agencies:

LBB Staff: WP, CMa, SD, GP, CLo