

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1887S.02I
 Bill No.: SB 611
 Subject: E-Mail and Internet; Public Service Commission; Telecommunications
 Type: Original
 Date: April 6, 2021

Bill Summary: This proposal modifies provisions relating to the regulation of internet protocol-enabled services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Public Service Commission Fund (0607)	\$0 or Less than (\$150,527)	\$0 or Less than (\$174,365)	\$0 or Less than (\$176,027)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Less than (\$150,527)	\$0 or Less than (\$174,365)	\$0 or Less than (\$176,027)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Public Service Commission Fund (0607)	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Commerce and Insurance – Public Service Commission (PSC)** state that if the Public Service Commission regulates internet-protocol services and is required to provide the annual report contemplated, it will require an additional Research/Data Analyst (at \$48,159 annually) and an Associate Engineer (at \$55,451 annually), including associated equipment. These FTE will provide the analysis and expertise needed to review and make recommendations to the Commission on filings before the Commission and to provide the expertise needed to analyze and report on the information to be reported pursuant to rules promulgated under Section 392.611.6.(1) through (6).

In summary, PSC assumes a cost of \$150,527 in FY 2022, \$174,365 in FY 2023 and \$176,027 in FY 2024 to provide for the implementation of the changes in this proposal.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the cost estimated by the PSC to the Public Service Commission Fund (0607) in the fiscal note.

Oversight assumes the PSC may be able to collect revenue from companies that offer broadband and internet protocol-enabled services. Therefore, Oversight will reflect a potential amount of unknown revenue into the PSC fund.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, they reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
PUBLIC SERVICE COMMISSION FUND (0607)			
<u>Income</u> – PSC may be able to collect revenue from these newly-regulated areas	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – PSC			
Personal Service	(\$86,342)	(\$104,646)	(\$105,693)
Fringe Benefits	(\$49,040)	(\$59,198)	(\$59,551)
Equipment and Expense	(\$15,145)	(\$10,521)	(\$10,783)
<u>Total Cost – PSC</u>	<u>(\$150,527)</u>	<u>(\$174,365)</u>	<u>(\$176,027)</u>
FTE Change – PSC	2 FTE	2 FTE	2 FTE
ESTIMATED NET EFFECT TO THE PUBLIC SERVICE COMMISSION FUND (0607)	<u>\$0 or Less than (\$150,527)</u>	<u>\$0 or Less than (\$174,365)</u>	<u>\$0 or Less than (\$176,027)</u>
Estimated Net FTE Change to the Public Service Commission Fund	2 FTE	2 FTE	2 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

If internet-protocol services are regulated, there may be rate adjustments that would affect small businesses.

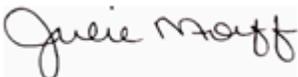
FISCAL DESCRIPTION

Under current law, broadband and other Internet protocol-enabled services are exempted from rules and regulations of the Public Service Commission. This act repeals such provision. Additionally, the act requires the Commission to promulgate rules for the regulation of broadband and internet protocol-enabled services and to submit an annual report to the General Assembly on the progress of broadband development across the state, which shall include certain information set forth in the act.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
April 6, 2021



Ross Strobe
Assistant Director
April 6, 2021