

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5828S.01I  
Bill No.: SB 1232  
Subject: Public Service Commission  
Type: Original  
Date: April 8, 2022

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Bill Summary: This proposal modifies provisions relating to video service providers.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Public Service Commission	\$0 to (Unknown, could exceed \$250,000)	\$0 to (Unknown, could exceed \$250,000)	\$0 to (Unknown, could exceed \$250,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to (Unknown, could exceed \$250,000)</b>	<b>\$0 to (Unknown, could exceed \$250,000)</b>	<b>\$0 to (Unknown, could exceed \$250,000)</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- ☒ 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **Sections 67.2677 - 67.2691 – Video Service Provisions**

Officials from the **Department of Commerce and Insurance (DCI) - Public Service Commission (PSC)** state the fiscal costs of these sections to DCI are indeterminable. This legislation potentially requires the PSC to oversee disputes filed by either franchise entities or video service providers to be able to recover either refunds or overpayments of video service provider fees.

The PSC states they never had authority over video service rates or the quality of video service and has no historical information about the disputes in question. If more than a few cases are filed in a year, multiple attorneys may need to be added to handle the cases. Video service providers are not currently charged a fee to register. Video service providers do not pay the Missouri PSC annual assessment.

It is also unclear what sort of work will actually be required by the PSC. The language does not specify if the PSC's role is to primarily file and pursue law suits with a court or if the PSC legal staff and/or Commissioners will also be required analyze and determine the validity of disputes.

Since it is unknown if any disputes will be filed by a franchise entities or video service provider, or the amount of involvement of the PSC if a dispute is filed, Oversight will reflect a \$0 to Unknown, could exceed \$250,000 to the Public Service Commission Fund.

Officials from **Kansas City** state this legislation would have a negative fiscal impact on Kansas City if video service providers no longer paid video service provider fees to the City.

Officials from the **City of Springfield** anticipate a possible negative fiscal impact of an indeterminate amount from this bill if a court in pending litigation involving another city determines that streaming services are obligated to pay video service licensing fees since this bill would revise the definition of "video service" to exclude businesses offering streaming content.

**Oversight** assumes this proposal could create a negative fiscal impact to locals if video service provider fees were no longer paid to the city. Oversight will reflect an unknown loss to local political subdivisions.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
<b>PUBLIC SERVICE COMMISSION FUND</b>			
<u>Cost – DCI-PSC</u> Overseeing disputes §67.2677- 67.2691	<u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u>	<u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u>	<u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u>
<b>ESTIMATED NET EFFEC TO THE PUBLIC SERVICE COMMISSION</b>	<b><u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u></b>	<b><u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u></b>	<b><u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Loss – Video Service Provider Fees</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 or</u> <u>(Unknown)</u></b>	<b><u>\$0 or</u> <u>(Unknown)</u></b>	<b><u>\$0 or</u> <u>(Unknown)</u></b>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act modifies the definition of "video service" for provisions of law relating to video service providers and such definition now includes streaming content.

The act also states that any suit arising out of a dispute over the video service provider fee established in statute shall be filed by the Public Service Commission under its own name or on behalf of the franchise entity seeking to recover an additional amount or seeking a refund.

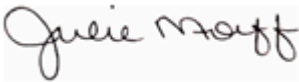
A video service provider shall not be required to retain financial records associated with payment of the video service provider fee for more than 3 years unless the Public Service Commission, rather than a franchise entity, has commenced a dispute regarding such payment.

This act has a delayed effective date of August 28, 2023, for a certain section.

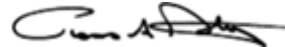
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance  
Kansas City  
City of Springfield



Julie Morff  
Director  
April 8, 2022



Ross Strobe  
Assistant Director  
April 8, 2022