

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-1663/7</b>	<b>Introduction Number</b> <b>AB-588</b>
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**Subject**

Municipal authority regarding multiple franchises for cable television; municipal telecommunications utility costs

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate  
 Increase Existing Appropriations     
  Increase Existing Revenues  
 Decrease Existing Appropriations     
  Decrease Existing Revenues  
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget  
 Yes       No  
 Decrease Costs

**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.155(1)(g)	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

PSC 10/20/2003

LRB Number	<b>03-1663/7</b>	Introduction Number	<b>AB-588</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Municipal authority regarding multiple franchises for cable television; municipal telecommunications utility costs					

### Assumptions Used in Arriving at Fiscal Estimate

AB 588 would require the PSC to review cost studies and pricing levels for governmental telecommunication utilities to determine compliance with s.196.204. These reviews and studies would probably occur upon complaint of another provider. The proceedings required to respond to the complaint would be complex and controversial. This complexity would be true at least for several initial proceedings, but might lessen in complexity as the governmental telecommunication utilities become more adapted and familiar with the parameters of the total service long run incremental cost study methodologies. The requirements in this bill will probably result in increased costs and staffing to the Telecommunications Division. However, because most of the work will occur as the result of complaints, and there is no way to predict the number of complaints, it is impossible to specify an absolute cost on the PSC if this bill became law.

### Local Impact

There are currently 25 municipalities already certified as telecommunications providers. In total there are 82 municipal electric utilities. It is possible that some of these utilities are still contemplating whether to enter the telecommunications business. The PSC does not regulate cable and therefore does not have any information on which municipalities may operate cable television operations. In the bill there would be mandated steps for all municipalities to follow to set up a telecommunications utility. These steps include hearings, notices and reports on cost and revenues including a cost-benefit analysis. The process for hearings and notices may already match the requirements in various municipalities for actions by the village, city or county. The cost-benefit report may be something that is done already to some extent in each municipality, but whether current activities meet the specific bill requirements are unknown. Cost and pricing regulations may require much more cost analysis and economic review than is done today. Total service long run incremental cost studies are complex and may require consultants to be hired, especially if complaints are filed. Because it is unclear how many municipalities may proceed to request to become telecommunications utilities and the cost, as a result of this bill, per municipality are difficult to ascertain, a fiscal impact on local government cannot be completed.

### Long-Range Fiscal Implications

Unknown