

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-0945/8	Introduction Number AB-0606
Description The regulation of video service providers and interim cable operators, granting rule-making authority, making an appropriation, and providing a penalty	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local:	
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input checked="" type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<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 DFI-CCS 20.07	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
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Date	
12/29/2009	

Fiscal Estimate Narratives

PSC 12/29/2009

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Description The regulation of video service providers and interim cable operators, granting rule-making authority, making an appropriation, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Fiscal impact – state government

Transferring the duties associated with the regulation of video service franchises from the Department of Financial Institutions (DFI) to the Public Service Commission of Wisconsin (PSC) would create the following changes to the current law:

- The bill moves the franchising functions from DFI to PSC, as it relates to the initial franchise awards.
- The bill also allows the PSC to bill the applicant for all associated costs incurred during the application process, as it currently does for utility regulation.
- Additionally, video service providers would need to renew their franchise every five years (new provision)
- The bill would also allow the PSC to revoke a certificate for specific reasons detailed within the bill; these too are new provisions.
- The bill transfers \$100,000 of DFI appropriation to PSC.

When the law became effective on October 1, 2008, all current video service providers registered with DFI. Currently, there are 33 video service providers, of which five were registered as new providers this year. Of the 33, five are considered "large" providers with greater than 10,000 subscribers and the rest have fewer than 10,000 subscribers. The bill is unclear as to whether current, registered video service franchise would have to re-register with the PSC.

Currently, the Administrator and Deputy Administrator of DFI's Division of Corporate and Consumer Services devote roughly 35% of their time to this process. While the PSC may be able to absorb most of the current work, some of the changes proposed in the bill may create additional resource needs in the future. The following are tasks identified within the bill that will need to be addressed upon enactment:

- PSC must make rules on the return of video equipment by customers.
- PSC is to designate a successor to WisconsinEye, if necessary.
- Companies that fail to meet roll-out deadlines for video coverage would be required to pay \$20,000,000 to PSC, which must then be distributed in the form of grants to assist deployment of statewide broadband. The PSC would need to create a grant program if such funds are received.

Fiscal impact – local government

Changes to the franchising fees and the PEG channel requirements may create positive fiscal effects for local governments.

Long-Range Fiscal Implications

n/a