

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 969 - SB 1057

March 6, 2017

SUMMARY OF BILL: Establishes that a cable or video service provider applicant to be deemed sufficient and to have satisfied all of the requirements necessary for approval of a state-issued certificate of franchise authority if such applicant has provided fiber-to-the-premises to at least 1,000 customers for a period of at least one year prior to the application by the Tennessee Regulatory Authority (TRA).

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$500/Public Utility Reserve

Increase State Expenditures – Exceeds \$500/Public Utility Reserve

Assumptions:

- TRA is a self-funded agency; therefore, the provisions of this bill will not impact the General Fund.
- Pursuant to Tenn. Code Ann. § 7-59-305(f), certificate holders shall be assessed an annual fee based on the number of cable or video subscribers served. The aggregate fee is capped at \$107,000 annually, which has been met every year since the law's enactment in 2008.
- Based on information provided by TRA, when the number of certified providers increases, annual fees owed by existing certificate providers are reduced for the following year; as a result, the Agency will not receive any new revenue from the annual fee if such new franchise certificates are issued as a result of the proposed bill.
- Pursuant to Tenn. Code Ann. § 7-59-305(b), application fees range between \$500 and \$15,000 for a state-issued certificate of franchise authority and are based on the population of the service area.
- Assuming that at least one application is filed for a service area containing a population less than 50,000 residents, the recurring increase in state revenue to the Public Utility Reserve is estimated to exceed \$500 (1 application x \$500 application fee).
- It is assumed that any costs for the proposed bill will be equal to any increase in state revenue; therefore, the recurring increase in state expenditures to the Public Utility Reserve is estimated to exceed \$500.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The provisions of the proposed bill is not anticipated to significantly impact commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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