

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 276** HLS 22RS 721

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 28, 2022 9:01 AM **Author:** BISHOP, S.
Dept./Agy.: Secretary of State **Analyst:** Kimberly Fruge
Subject: Audit and Dispute Resolution of Video Service Franchise Fees

TELECOMMUNICATIONS

OR INCREASE GF EX See Note

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Provides relative to franchise fee audits and dispute resolution of certain video service providers

Present law requires local governmental subdivisions to conduct franchise fee audits of cable or video service providers. The local governmental subdivision is required to give written notice of any dispute prior to filing suit, and requires both parties to meet within 30 days to attempt to settle the dispute. Present law authorizes the local governmental subdivision to pursue nonbinding mediation if the dispute is not resolved within 60 days.

Proposed law would require the Secretary of State, not the local governmental subdivision, to perform the audits, file suits, and resolve disputes relating to franchise fee payments.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						
REVENUES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will likely result in an indeterminable but potentially significant workload increase for the Department of State associated with auditing and resolving disputes over cable and video service provider franchise fees. As these activities would be new for the Department of State, any increase in costs are speculative and cannot be estimated at this time. However, the department is likely to realize a potentially significant increase in expenditures and will potentially require additional recurring personnel to process the audits of franchise fees and resolve any disputes over franchise fees. Until the department is able to establish rules and procedures to process audits and resolve disputes the costs associated with this measure will remain indeterminable.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Interim Deputy Fiscal Officer