

1350

FISCAL NOTE (Form 3)
(Office of Fiscal Analysis)
Analyst: TN 4/24/92
las
Version: 2

BILL NUMBER: sSB 156
FILE NUMBER:
AMENDMENTS: Senate "B"

TITLE: "AN ACT CONCERNING THE MUNICIPAL PROVISION OF COMMUNITY ANTENNA TELEVISION SERVICE"

FAVORABLY REPORTED BY Energy and Public Utilities, Planning and Development

EFFECTIVE DATE: 10/1/92

* * * * *

FISCAL IMPACT STATEMENT - BILL NUMBER sSB 156

STATE IMPACT Potential Cost, Potential Revenue Gain, see below
MUNICIPAL IMPACT Potential Revenue Gain, Potential Revenue Loss, see explanation below
STATE AGENCY(S) Department of Public Utility Control (Special Fund)

	Current FY	1992-93	1993-94
State Cost (savings)	:	:361,118	:481,491
	:	:Special Fund	:Special Fund
St Revenue (loss)	:	:(Contingent upon passage	:(
	:	:of federal law)	of federal law)
Net St Cost (savings)	:	:	:
	:	:	:
Municipal Impact	:	:	:
	:	:	:

EXPLANATION OF ESTIMATES:

STATE IMPACT: There could be a potential cost for the Department of Public Utility Control associated with the regulation of Community Antenna Television rates as a result of the passage of this bill as amended.

The regulation of rates is predicated upon the passage of federal law which would allow Connecticut to regulate the rates of cable companies.

Upon the passage of such a law, the Department of Public Utility Control would require 26 cable companies to file rate applications with the Department. Annual rate applications are also anticipated.

To review these applications, the Department of Public Utility Control would require 8 positions in their Telecommunications Division. These positions include 1 Rate Specialist, 1 Finance Specialist, 3 Engineers, 1 Utility Examiner and 2 Adjudicators.

With the effective date of 10/1/92, only 3/4 of a year's funding is necessary in fiscal year 1992-93. The amount of \$361,118 includes salaries and fringe benefits. In fiscal year 1993-94 an amount of \$481,491 will be required which includes salaries and fringe benefits.

It is anticipated that there will be some additional work for the Department of Public Utility Control as a result of the passage of this bill as amended concerning municipal provision of cable television. Currently, there are approximately five municipalities that own electric companies in the state and would be eligible to apply for a cable system. The Department of Public Utility Control will be required to review and approve these applications. They will also be required to adopt regulations concerning standards that assure that costs and expenses of a municipality building, buying and operating a cable TV system are accurately attributed to the municipality.

There could be additional work for the Department of Public Utility Control in reviewing whether or not an operator has made community antenna television service available to all residential dwellings in the franchise area.

It is anticipated that the Department of Public Utility Control can review the applications for municipal cable TV systems, review operator's performance in making cable service available to all dwellings in the franchise area, and adopt regulations within the Department's normal budgetary resources.

There is a potential revenue gain to the state General Fund and a potential minimal revenue gain for the Public Utility Control Fund.

The revenue gain to the state is associated with these municipal cable systems being subject to a gross receipts tax.

There is a potential minimal revenue gain to the Public Utility Control Fund with these municipalities required to pay a \$50.00 application fee.

MUNICIPAL IMPACT: There is a potential revenue gain and net income for municipalities who operate these cable systems, depending upon their profitability. There could also be a loss from operations that these municipalities could incur.

Senate "B" establishes the requirement concerning the distribution of cable services to all dwellings in a franchise area and the state's regulation of cable rates. It has a minimal cost and potential cost impact.

The Department of Public Utility Control is a Special Fund agency that assesses the public service companies it regulates for its funding.

"THIS DOCUMENT IS PREPARED FOR THE BENEFIT OF THE MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION. IT DOES NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."