

**REVENUE IMPACT OF
PROPOSED LEGISLATION
79th Oregon Legislative Assembly
2017 Regular Session
Legislative Revenue Office**

**Bill Number: SB 84
Revenue Area: Telecommunications
Economist: Kyle Easton
Date: 2/6/2017**

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Measure Description:

Measure expands services subject to Residential Service Protection Fund (RSPF) surcharge to include paying retail subscribers who have interconnected voice over internet protocol service with access to a telecommunications relay service. Directs Public Utility Commission to adopt by rule the definition for "interconnected voice over internet protocol service" and requires adopted definition to be consistent with federal definition contained in 47 C.F.R. 9.3.

Revenue Impact (in \$Millions): Minimal

Impact Explanation:

Measure is expected to have a minimal impact upon revenues based upon past funding requirements of the RSPF. The surcharge is designed to fund programs provided in sections 2 to 6 and 9 to 14, chapter 290, Oregon Laws 1987 which are: The Oregon Telephone Assistance Program, Telecommunication Devices Access Program and Oregon Telecommunications Relay Services. Surcharge may not exceed amount of \$0.35 per month per paying retail subscriber. The Public Utility Commission is required to review the surcharge and the balance in the fund to ensure that the fund has adequate resources so long as the fund balance does not exceed six months of projected expenses.

Recent surcharge per access line amounts have been at or below \$0.11, \$0.07 in calendar year 2017. As the expected surcharge amount is well below the \$0.35 per month limit (never been as high as \$0.35 in program's history), expanding the surcharge base to include interconnected voice over internet protocol service subscribers will have the effect of expanding the base of subscribers subject to the surcharge while at the same time lowering the surcharge amount as measure does not impact resource requirements of the Residential Service Protection Fund. A minimal impact on revenue is expected as timing of surcharge adjustment and possible rounding could slightly impact surcharge revenue. If in the future, funding requirements require a surcharge equal to the \$0.35 maximum, then a net increase in revenue would be expected.

Creates, Extends, or Expands Tax Expenditure: Yes No