

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE

House Bill 1104

(Chair, Health and Government Operations  
Committee)(By Request - Departmental - Public  
Television)

Health and Government Operations

Education, Health, and Environmental Affairs

---

Procurement Exemptions - Maryland Public Broadcasting Commission -  
Repacking Requirements

---

This departmental bill makes procurements by the Maryland Public Broadcasting Commission (MPBC) that are necessary to implement the repacking requirements of the federal Spectrum Act exempt from State procurement law.

The bill takes effect July 1, 2015, and terminates June 30, 2020.

---

Fiscal Summary

**State Effect:** No material effect on federal fund revenues and expenditures for MPBC because it is anticipated that relevant federal guidelines also require competitive procurements. The bill facilitates MPBC's ability to comply with federal mandates and deadlines.

**Local Effect:** None.

**Small Business Effect:** MPBC has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

---

Analysis

**Current Law/Background:** Title VI of the federal Middle Class Tax Relief and Job Creation Act of 2012 included numerous provisions related to the reallocation of broadcast spectrum. Also called the Spectrum Act, Title VI authorized voluntary auctions

that allow television broadcasters to receive compensation for releasing some of their licensed airwaves for mobile broadband services. The Federal Communications Commission (FCC) is authorized to hold reverse auctions that allow television broadcasters to establish the amount of compensation they are willing to accept to voluntarily relinquish spectrum rights. Broadcasters that do not voluntarily relinquish spectrum rights but are required to relocate or incur other costs may be compensated or may choose to accept regulatory relief that allows new uses for their spectrum.

Maryland Public Television (MPT) advises that the spectrum auctions authorized by the Spectrum Act will likely require FCC to change or “repack” television channels to accommodate the reallocated spectrum. MPT will have to purchase and install new equipment in order to broadcast at new frequencies. Once MPT is assigned its new channels, it will have 36 months to conduct engineering studies, obtain construction permits, purchase and install new equipment and transmission lines, test the equipment, perform proof of engineering studies, and more to ensure that it can meet the 36-month deadline. Broadcasters that do not meet FCC’s 36-month deadline will be taken off the air, unable to broadcast until the work is completed. As noted above, MPT will be compensated by the federal government for costs related to its relocation of broadcast channels, so no State funds are anticipated to be spent.

Procurements by MPBC are exempt from State procurement law if they are (1) for services of artists for educational and cultural television productions or (2) for planning or fulfilling the obligations of grants or cooperative agreements that support the commission’s educational and cultural activities.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of General Services, Maryland Public Television, Congressional Research Service, Department of Legislative Services

**Fiscal Note History:** First Reader - March 13, 2015  
md/ljm

---

Analysis by: Michael C. Rubenstein

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510

**ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

TITLE OF BILL: Maryland Public Broadcasting Commission – Procurement Exemption – Repacking Requirements

BILL NUMBER: HB 1104

PREPARED BY: Maryland Public Television

**PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

  X   WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

       WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

**PART B. ECONOMIC IMPACT ANALYSIS**