

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1007 (Chairman, Environmental Matters Committee)
(Departmental - General Services)
Environmental Matters

Dual Party Telephone Relay Program - Wireless Telephone and Related Services

This departmental bill provides that “wireless telephone service” carriers that provide access to the Maryland Relay Service must add the universal service fee to all current bills rendered for wireless services. The carriers must act as collection agents for the fees and remit all proceeds to the Comptroller on a monthly basis; the carriers may credit against the remittance amount a sum equal to 1.5% of the fee to cover expenses. The Comptroller must deposit the funds in the Universal Trust Fund.

Fiscal Summary

State Effect: None, as discussed below.

Local Effect: None.

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

Fiscal Analysis

Background: The Universal Service Trust Fund (USTF) pays for the Maryland Relay Service. The Comptroller currently collects fees for this purpose through a surcharge on individuals’ phone bills (land-based lines). The surcharge amount was recently reduced in July from \$.15 per month to \$.12 per month; the surcharge is expected to generate \$4 million in fiscal 1996. The costs of the program as reflected in the fiscal 1997 budget allowance are \$6.6 million (\$6.9 million was appropriated in fiscal 1996); these costs are paid for through the \$4 million in fee revenues in addition to an existing USTF surplus.

State Effect: Under this bill, fee revenues would be generated through wireless telephone subscribers. The Department of General Services advises that the current fee would decrease so as to remain cost-neutral. It cannot be estimated at this time how many wireless telephone subscribers would be affected or by how much the fee would decrease. The Comptroller would not incur any costs in collecting and crediting the fee. However, depending upon the number of wireless carriers affected by the bill, some amount of nonpayment might occur. Therefore, any fee adjustments must take into account the possibility of not achieving full compliance with payment.

Information Source(s): Department of General Services, Office of the Comptroller, Department of Fiscal Services

Fiscal Note History: First Reader - March 11, 1996
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