

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 100 (Chairman, Finance Committee)
(Departmental - Human Resources)

Finance

Telephone Lifeline Service - Eligibility

This departmental bill adds State-funded public assistance recipients to the list of those eligible for “telephone lifeline service.”

Fiscal Summary

State Effect: General fund revenues could decrease by up to \$93,622 in FY 1998 (as a result of the October 1, 1997 effective date) and by \$124,830 on an annual basis. Expenditures would not be affected.

Local Effect: None.

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

Fiscal Analysis

State Revenues: The value of the discounted telephone lifeline service is allowed as a credit for Bell Atlantic against the State’s gross receipts tax. Therefore, fiscal 1998 gross receipts tax revenues (general funds) could decrease by up to \$93,622 as a result of the bill’s requirements. This estimate reflects (1) 2,190 additional individuals eligible for telephone lifeline service (in the General Public Assistance to Pregnant Women and Public Assistance to Adults); (2) the average discount of \$57 annually for those in the lifeline program; and (3) the bill’s October 1, 1997 effective date.

The tax revenue loss could be less than \$93,622, however, because past experience with

individuals eligible for telephone lifeline service indicates that few actually enroll in the program due to the restricted service provided. Information on the precise participation rate was not available as of this writing.

Those individuals in the Transitional Emergency Medical and Housing Assistance (TEMHA) program are already eligible for telephone lifeline service through an agreement made between the Public Service Commission and Bell Atlantic. The bill therefore codifies existing practice with regard to TEMHA recipients.

Information Source(s): Department of Human Resources, Public Service Commission, Bell Atlantic, Department of Fiscal Services

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