

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

Revised

Senate Bill 620

(Senator Bromwell)

Finance

Appropriations and Environmental Matters

Public Service Commission - Public Utility Regulation Fund and Filing Fees

This bill creates the Public Utility Regulation Fund (PURF) for the purpose of paying all operational costs and expenses incurred by the Public Service Commission (PSC) and the Office of People's Counsel (OPC). It also authorizes PSC to charge reasonable and non-discriminatory fees for specified filings and services.

The bill is effective June 1, 2002.

Fiscal Summary

State Effect: To establish a new special fund, FY 2003 general fund revenues and expenditures would each decrease by \$12.9 million, with a corresponding increase in special fund revenues and expenditures.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: The bill establishes PURF as the holding account for funds currently collected to pay for all operational expenses of PSC and OPC. All funds that must be paid into PURF are specified, and expenses are described as those authorized under law and those authorized in the State budget. Expenditures from the fund to cover PSC and OPC costs and expenses must either be appropriated by the General Assembly or by specified budget amendment procedure.

Excess amounts deposited into PURF in any fiscal year are credited to public service companies and applied against any succeeding payment due.

The Treasurer is PURF custodian and, unless otherwise provided by law, no part of PURF may revert or be credited to the general fund or other special fund.

PSC is authorized to charge reasonable and non-discriminatory fees for the filing of documents with PSC and for other specified services performed by PSC, and must adopt regulations to set such fees. Filings and services for which fees may be charged include applications for telecommunication companies, tariff revisions, supplier licenses, certifications of public convenience and necessity, and company complaints against other companies. PSC reports it would seek to recover approximately \$125,000 annually for performing work related to these services. In determining the amount of a fee for a filing or service, PSC must consider the estimated associated expense. A document for which a filing fee is required must be received, but will not be considered filed until the filing fee has been paid. While all specified fees must be paid into PURF, all fines and penalties collected by PSC must be paid into the general fund.

PSC must waive any fees for a filing made by a State government unit or a service provided for a State government unit. PSC may also waive a fee when it is in the public interest.

Current Law: An appropriation for the costs and expenses for PSC and OPC is included in the State budget and paid out of the State general fund. PSC reimburses the general fund from the money it collects, the primary source of which is assessments on public service companies.

Each State fiscal year, PSC must prepare an estimate of costs and expenses, then determine the amount to be billed to each public service company. Companies must pay their billed amount before the following July 15, and may elect to pay in 25% increments. On or before September 15, PSC must determine actual costs and expenses and either bill companies for money owed (in the case of a shortfall), or grant companies the choice of receiving a rebate or a credited amount for the following year's assessment (in the case of overpayment).

Fines and penalties collected by PSC are paid into the general fund.

PSC is authorized to collect reasonable fees for copies of PSC documents, and may charge \$1 to issue or renew a taxicab driver license, or \$2 to issue a duplicate taxicab driver license.

State Fiscal Effect: PSC estimates that \$12,858,141 would be transferred from the general fund into PURF in fiscal 2003. This amount represents the estimated combined operating budgets of PSC and OPC.

Authorized filing fees would be paid into PURF and accounted for in calculating assessments on public service companies. Fines and penalties collected by PSC would continue to be paid into the general fund with no net change.

Additional Information

Prior Introductions: None.

Cross File: None, but HB 135 (Delegate Stern, *et al.*) is substantially similar.

Information Source(s): Public Service Commission, Office of People's Counsel, Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2002
ncs/cer Revised - Senate Third Reader - March 27, 2002

Analysis by: Mitchell J. McCalmon

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510