

# State Corporation Commission

## 2002 Fiscal Impact Statement

**1. Bill Number** SB245

**House of Origin** ☐ Introduced ☐ Substitute ☐ Engrossed  
**Second House** ☐ In Committee ☒ Substitute ☐ Enrolled

**2. Patron** Wampler

**3. Committee** Passed Both Houses

**4. Title** Public utilities; telecommunications services.

**5. Summary/Purpose:**

Public utilities; telecommunications services. Provides that any locality that operates an electric distribution system may provide telecommunications services, including local exchange telephone service, within or outside its boundaries if the locality obtains a certificate pursuant to § 56-265.4:4 and complies with all applicable laws. The certificate for local exchanges service or inter exchanges service granted by the State Corporation Commission after July 1, 2002, shall be for service throughout the Commonwealth unless the applicant specifically requests a different certificated service territory. Each local exchange carrier that was certificated before July 1, 2001, to provide service in part of the Commonwealth shall be certificated to provide local exchange service throughout the Commonwealth beginning September 1, 2002, unless the local exchange carrier notifies the Commission prior to September 1, 2002, that it elects to retain its existing certificated service territory. No locality providing such services shall acquire facilities or other property of any telecommunications service provider by eminent domain. A new section has been added to Title 56 pertaining to anti-competitive acts (§ 56-479.2). Also repeals § 56-484.7:3 pertaining to availability of service by lessee.

**6. Fiscal impact:** Estimates are unavailable. See item 8.

**7. Budget amendment necessary:** No

**8. Fiscal implications:** This bill would have a fiscal impact on the State Corporation Commission's special regulatory revenue fund provided municipalities begin providing service. There is however, now a way at this point to determine how much additional revenue would be generated since there is no past data available on municipal telephone companies. This tax is set at a maximum of two-tenths of one percent and is based on intrastate revenue only.

**9. Specific agency or political subdivisions affected:** State Corporation Commission and its Communications and Public Service Taxation Division's and the Office of General Counsel.

**10. Technical amendment necessary:** Maybe. A House floor amendment to the House Committee substitute amends § 15.2-2160 of the bill and provides: "Such locality may provide telecommunications services within any locality in which it has an electric distribution system facilities as of March 1, 2002. Any locality providing telecommunications services on March 1, 2002, may provide such services within any locality within 75 miles of the geographic boundaries of its electric distribution system as such system existed on March 1, 2002." However, § 56

265.4:4B1 (see added lines 306 - 314) does not reflect this limitation and provides for the possibility of certificates in "any territory of the Commonwealth."

11. Other comments: This bill would require municipal telephone companies that are granted a certificate of public convenience and necessity by the State Corporation Commission, to report all of their real and tangible personal property they own, operate or use to the Commission for assessment as stated in § 58.1 - 2628.

The House Committee substitute was amended on the House floor to provide that the locality may provide telecommunication services within any locality in which it has electric distribution system facilities as of March 1, 2002. Any locality providing telecommunication services on March 1, 2002, may provide such services within any locality within 75 miles of the geographic boundaries of its electric distribution system as such system existed on March 1, 2002.

**Date:** 03/08/02/K.Cummings/RST/AB

cc: Secretary of Commerce and Trade