

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB 162

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Hope

3. Committee: Militia, Police, and Public Safety

4. Title: Prisoner telephone services

5. Summary:

The Department of Corrections and the Department of Juvenile Justice allow inmates and juveniles to make phone calls to approved individuals. These phone calls are either collect calls or inmates can use charge cards. Because telephone services provided to the state are exempt from regulation by the State Corporation Commission, the departments are able to select the company providing its inmate telephone service and establish rates through bids. The contracts agreed to by the agencies include provisions whereby the company providing the service pays a specified percentage of the revenue collected from inmate phone calls to the state as a commission. This revenue is deposited into the general fund.

The proposed legislation would authorize the State Corporation Commission to exercise jurisdiction over rates and charges of telecommunications services that enable correctional inmates to originate calls at pay phones or other telephones that are designated for prisoners' personal use.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See Item 8.

8. Fiscal Implications:

The amount of revenue accruing to the general fund from the inmate telephone contracts is projected to be approximately \$3.6 million annually in the next biennium. How, or if, that amount would be affected by this legislation cannot be determined. It would depend on how the State Corporation Commission would approach setting the rates for inmate telephone services and whether the rates set would be at a level that would enable the selected vendor to pay a commission.

In addition to the Departments of Corrections and Juvenile Justice, local and regional jails also have arrangements with telecommunications companies to provide telephone services

for inmates housed in those facilities. The proposed legislation would also affect those entities.

9. Specific Agency or Political Subdivisions Affected:

State Corporation Commission
Department of Corrections
Department of Juvenile Justice
Local and regional jails

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 1/25/2012

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