



127th MAINE LEGISLATURE

LD 465**LR 1181(01)****An Act To Eliminate the Broadband Sustainability Fee****Preliminary Fiscal Impact Statement for Original Bill****Sponsor: Rep. Higgins of Dover-Foxcroft****Committee: Energy, Utilities and Technology****Fiscal Note Required: Yes**

Preliminary Fiscal Impact Statement

Current biennium revenue decrease - Component Unit of State

Fiscal Detail and Notes

The bill eliminates the broadband sustainability fee and requires funds in the Broadband Sustainability Fund (BSF) within the ConnectME Authority (ConnectME) to be used to support municipal governments in developing plans to promote broadband service in unserved or underserved areas. ConnectME is a legally separate entity from the State and is a component unit of the State that is not funded using state funds. Under current law, 95% of the funds from this fee go to the BSF and 5% go to the ConnectME Fund. Eliminating the broadband sustainability fee will reduce revenue to ConnectME by an estimated \$350,000 in fiscal year 2015-16, \$900,000 in fiscal year 2016-17 and \$750,000 in fiscal year 2017-18. Under current law, this fee will end on December 31, 2017. There is currently \$343,728 in the BSF, but ConnectME has indicated that the BSF will have a substantially smaller balance before this bill becomes law, due to certain companies requesting disbursements from the BSF as allowed under current law. There is a Superior Court case pending concerning delinquent broadband sustainability fee payments owed to ConnectME. ConnectME estimates a \$320,000 deposit into the BSF if ConnectME prevails in the court case. This \$320,000 would not be disbursed to certain companies if the case is resolved after the bill becomes law and that additional revenue could potentially be available to support municipalities as required by this bill.