

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1201**

**Bill Subtitle: TO MODIFY THE PROCEDURE FOR COLLECTION OF SURCHARGES TO FUND THE TELECOMMUNICATIONS EQUIPMENT FUND.**

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### **Basic Change :**

**Sponsors: Rep. Mayberry  
Sens. K. Hammer and J. English**

HB1201 revises the procedure for suspending and reinstating the telephone surcharge used to provide telecommunications equipment for deaf, hearing-impaired, or speech-impaired persons by requiring the filing of a petition with the Public Service Commission (PSC). As a condition to filing a petition to cease collection, collections must equal or exceed three times the annual expenditures of the equipment distribution program. As a condition to filing a petition to reinstate collection, one-half of the surplus must have been exhausted.

HB1201 also defines the term "prepaid wireless telecommunications service" to be consistent with the definition of that term in the Arkansas Public Communications and Next Generation 911 Act of 2019.

### **Revenue Impact :**

None.

### **Taxpayer Impact :**

A petition would be filed with the PSC to stop or start the collection of the monthly surcharge.

### **Resources Required :**

No additional resources are required.

### **Time Required :**

Adequate time is provided

### **Procedural Changes :**

None.

### **Other Comments :**

None.

### **Legal Analysis :**

Current law imposes a monthly surcharge of 2¢ per telephone line or telephone number to provide telecommunications equipment for deaf, hearing-impaired, or speech-impaired persons. The telephone service providers collect the surcharge and remit it to DFA. Current law requires the automatic suspension of collection of the surcharge when collections equal a 3-year average of expenditures to

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provide those telecommunications services. The surcharge automatically reinstates when the state has spent one-half of the surplus.

HB1201 replaces the provisions that automatically stop or start surcharge collection with a provision that requires the filing of a petition with the PSC to either stop or start that collection. HB1201 does not identify the person or entity that must file the petition to stop or start the surcharge collection. Accordingly, the language of the bill is unclear regarding who would be subject to this statutory mandate. The bill also does not state whether the PSC has discretion to grant or deny a petition to cease or reinstate the surcharge. An amendment to the bill to clarify this language may be helpful to address these uncertainties.