



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 18-1312

FINAL FISCAL NOTE

Drafting Number:	LLS 18-0746	Date:	July 23, 2018
Prime Sponsors:	Rep. Hansen; Herod Sen. Donovan	Bill Status:	Postponed Indefinitely
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Bill Topic: OPEN INTERNET CUSTOMER PROTECTIONS IN COLORADO

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input checked="" type="checkbox"/> Local Government (<i>potential</i>)
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill would have placed requirements on internet service providers to follow net neutrality standards or forego High Cost Support Mechanism funding. It would have increased state workload on an ongoing basis.

Appropriation Summary: No appropriation was required.

Fiscal Note Status: The fiscal note reflects the reengrossed bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

This bill disqualifies an internet service provider from receiving High Cost Support Mechanism (HCSM) grants if the provider engages in:

- blocking lawful internet content,
- paid prioritization of internet content,
- regulating network traffic by modifying bandwidth, and
- not providing transparency of its network management practices.

The Public Utilities Commission (PUC) must utilize a federal agency order or decree, or a decision from a court of competent jurisdiction, to make a determination related to whether an internet service provider has engaged in an anti-net neutrality practice. The Broadband Deployment Board is also responsible to periodically review the websites of the Federal Trade Commission and the Federal Communications Commission to determine whether either agency has issued an order or decree regarding any applicant seeking or who has been awarded a broadband deployment grant from the Colorado High Cost Support Mechanism (HCSM).

A provider that is determined by the Public Utilities Commission (PUC) to have engaged in any of these anti-net neutrality practices is required to return any HCSM funds it received during the prior 24 months.

The Attorney General's Office and the Broadband Deployment Board must develop guidance for consumers on filing complaints with the Federal Trade Commission to allege that a provider has engaged in any of these restricted activities. A governmental body contracting for internet service must give preference to a provider that certifies it will not engage in any of these restricted activities.

State Expenditures

The bill will increase state workload in DORA, the Department of Law, and the Department of Personnel and Administration beginning in FY 2018-19.

Public Utilities Commission and Broadband Deployment Board — Department of Regulatory Agencies. The PUC will review net neutrality violations subsequent to a federal agency or court finding and final decision, which will require legal and technical support. It is expected that this workload will take place during the PUC's normal course of business. If additional resources are required from the HCSM, they will be requested through the annual budget process. The Broadband Deployment Board will incorporate the work to develop guidelines with the Attorney General's Office within existing appropriations.

Department of Law. The Department of Law will have an increase in workload to work with the Broadband Deployment Board and to provide counsel to the PUC. Counsel may specifically be needed in instances where a provider may have engaged in prohibited efforts, but is providing emergency communications or other specified efforts in the public's interest. No change in appropriations is required.

Department of Personnel and Administration. The State Purchasing Office in the Department of Personnel and Administration will develop technical guidance and revisions to the procurement process for internet service providers. This effort can be accomplished within existing appropriations.

Local Government

Local government internet service providers. Local governments that are internet service providers may see an increase in workload to ensure policies meet the bill's standards. Longmont currently provides broadband services, and the municipalities of Firestone, Frisco, Lake City, Limon, Lyons, and Severance just approved a ballot measure permitting them to become internet service providers.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on April 23, 2018.

State and Local Government Contacts

Economic Development Personnel	Information Technology Regulatory Agencies	Law
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