

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7146**

**BILL NUMBER: HB 1377**

**DATE PREPARED:** Jan 14, 2002

**BILL AMENDED:**

**SUBJECT:** Internet Transmissions as Local Traffic.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides that Internet traffic that occurs wholly within a local calling area is subject to the jurisdiction of the Indiana Utility Regulatory Commission (IURC).

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** While this bill may have administrative impact on the IURC, the Commission is expected to absorb any additional costs using existing staff and resources.

*Background on IURC and OUCC Funding:* The operating budgets of the IURC and OUCC are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In FY 2001, fees from the utilities and fines generated approximately \$8.6 M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor.

**Local Agencies Affected:**

**Information Sources:** Mike Leppert, Executive Director, IURC, (317) 232-2714.