

February 2, 2026

The Honorable Leo Delperdang, Chairperson
House Committee on Energy, Utilities and Telecommunications
300 SW 10th Avenue, Room 582-N
Topeka, Kansas 66612

Dear Representative Delperdang:

SUBJECT: Fiscal Note for HB 2586 by House Committee on Energy, Utilities, and Telecommunications

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2586 is respectfully submitted to your committee.

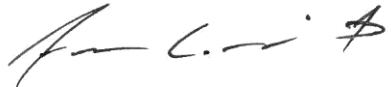
HB 2586 would amend current law to define and add revenue from “broadband internet access services” in the calculation of franchise fees to cities from telecommunication providers charged by entities that are not holders of state-issued video service authorization. The bill would make technical amendments and authorize telecommunication providers to charge an access line fee of up to \$2.75 per month per access line.

The Citizens’ Utility Ratepayer Board indicates that enactment of the bill is not anticipated to have a fiscal effect on operations but may result in an increase in revenues for local governments in franchise fees collected from those who do not hold a state video certificate. However, exemption certificate holders may impact the extent that the franchise fee is assessed, and a precise fiscal effect cannot be estimated. The Kansas Corporation Commission indicates that enactment of the bill would not have a fiscal effect on its operations. Any fiscal effect associated with HB 2586 is not reflected in *The FY 2027 Governor’s Budget Report*.

The Kansas Association of Counties indicates that the enactment of the bill would not have a fiscal effect on county revenues or expenditures directly; however, it could affect taxes for counties. The League of Kansas Municipalities indicates that the enactment of the bill would create an uneven revenue effect with an increase to some cities expanding the base upon which fees are calculated while other cities would see little change because major providers still would fall outside the expanded fee base. However, a precise fiscal effect is not currently available and

would vary from city to city. The bill would leave gaps that may allow some broadband service providers to continue to avoid paying into the system while benefiting from the same use of rights-of-way as incumbent providers.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Lynn Retz, Kansas Corporation Commission
Shonda Rabb, Citizens Utility Ratepayer Board
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties