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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 3/11/2025

SPONSOR Sen. Sedillo Lopez/Rep. Dixon

BILL
NUMBER Senate Bill 372

SHORT TITLE Telecommunication Surcharges

ANALYST Esquibel

REVENUE* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
		\$12,100.0	\$12,100.0	\$12,100.0	\$12,100.0	Recurring	Telecommunications Relay Service Fund

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
CDHH Administration		\$1,210.0	\$1,210.0	\$2,420.0	Recurring	Telecommunications Relay Service Fund
TRD Administration		\$363.0	\$363.0	\$726.0	Recurring	Telecommunications Relay Service Fund
Total		\$1,573.0	\$1,573.0	\$3,146.0	Recurring	Telecommunications Relay Service Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Commission for Deaf and Hard-of-Hearing Persons (CDHH)

Department of Finance and Administration (DFA)

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Senate Bill 372

Senate Bill 372 (SB372) proposes changing the telecommunications relay service surcharge from thirty-three hundredths percent on the gross amount paid on certain telecommunications bills to fifty-one cents per telecommunications bill.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

Because SB372 would make the telecommunications relay surcharge equal to that for 911 emergency surcharge, the revenue estimate is based on the \$13.1million that surcharge generates less the \$1 million the current telecommunications surcharge generates.

Under existing law, the Taxation and Revenue Department, which collects the tax, is allowed to deduct up to 3 percent for administrative cost. The Commission for Deaf and Hard-of-Hearing Persons can use up to 10 percent of annual revenue for administrative costs.

SIGNIFICANT ISSUES

The Commission for Deaf and Hard of Hearing Persons reports the revenue collected from the telecommunications surcharge has steadily declined from \$4 million in FY11 to \$1 million in FY24, and the agency has had to rely on transfers from balances in the fund and general fund appropriations for its operations budget. The agency received about \$1.7 million from the general fund for FY25, about \$400 thousand in balance transfers, and \$1.2 million in surcharge revenues. The commission suggests the additional revenue from the surcharge proposed in SB372 could allow it to forgo the general fund appropriation and the balance transfer.

RAE/hj/hg