

**FISCAL IMPACT OF PROPOSED LEGISLATION**

79th Oregon Legislative Assembly – 2018 Regular Session  
Legislative Fiscal Office

**Measure: HB 4155 - 6**

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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Date: 2/16/2018

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**Measure Description:**

Prohibits a public body from contracting with a broadband Internet access provider if that provider engages in paid prioritization, blocks lawful content or applications, or disadvantages lawful Internet content.

**Government Unit(s) Affected:**

Department of Administrative Services (DAS), Special Districts, Public Utility Commission (PUC), Cities, Counties, Higher Education Coordinating Commission (HECC), School Districts

**Summary of Expenditure Impact:**

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

**Analysis:**

HB 4155-6 prohibits a public body from contracting with a broadband Internet access service provider if that provider:

- (1) Engages in paid prioritization;
- (2) Blocks lawful content or applications;
- (3) Impairs Internet traffic to discriminate against or favor certain Internet content; or
- (4) Interferes with an end user's access to content or services.

A public body may contract with a broadband access provider that:

- (1) Is the sole provider of fixed broadband access service in the area;
- (2) Engages in the prohibited activities for an allowed purpose;
- (3) Engages in paid prioritization if the Public Utility Commission (PUC) determines that the paid prioritization provides significant public interest benefits and does not harm the open nature of service;
- (4) Engages in prohibited activities if the PUC determines that the service provider's engagement in the activity is reasonable network management.

Broadband Internet access providers providing service to public bodies must publicly disclose information regarding their network management practices. The PUC is directed to write rules to specify the manner and form in which the required disclosures are to be made. The operative date of the bill is January 1, 2019.

The PUC does not currently have expertise in the management, architecture, hardware, or software associated with broadband Internet access service. The PUC will begin work on the requirements in this bill, including writing necessary rules, with existing resources. As the PUC familiarizes itself with industry practices, with the potential workload associated with the bill requirements and with the entities providing broadband access services to public bodies in the state, it will assess any need for additional staff and identify potential funding streams. If necessary, the PUC will return to the Legislature in 2019-21 to request additional resources. The fiscal impact of this bill on the PUC is likely to be minimal, but is indeterminate at this time.

HB 4155-6 is not anticipated to have a fiscal impact on state and local governments, universities, school districts, or other public bodies in this state.