

City Council Regular Meeting

DEPARTMENT: Legal
FROM: Matt Ribitzki, Sr. Deputy City Attorney/Director of Legal Services
MEETING: April 15, 2024

SUBJECT:

Consider approval of a resolution accepting the Public Utility Commission’s 2024 maximum access lines rates increase. *(Staff Contact: Matt Ribitzki, Sr. Deputy City Attorney/Director of Legal Services)*

SUMMARY:

The purpose of this resolution is to have the City Council accept the annual increase to its access lines rates established by the Public Utility Commission (“PUC”) pursuant to state law.

In Texas, certified telecommunication providers must pay cities franchise fees for their use of the cities’ rights-of-way. Generally speaking, state law determines the amount of the franchise fees. Telecommunications franchise fees are based on a fee-per-access line method. There are three categories of lines – residential, non-residential, and point-to-point – and each line has its own rate. Certified telecommunication providers pay the City franchise fees based on the number of access lines and the line rates established by the PUC.

Under state law, the PUC provides the City with an annual increase to the access line rates for residential, non-residential, and point-to-point lines. The annual increase is set at half of the increase of the Consumer Price Index. For 2024, the three access line rates will increase by 2.2484% from the 2023 rates. The 2023 and proposed 2024 access line rates are below:

Access Line Rates		
	2023	Proposed 2024
Residential	\$1.14	\$1.17
Non-Residential	\$2.53	\$2.59
Point-to-Point	\$3.78	\$3.87

Importantly, the City does not have to accept the annual rate increase. If, however, the City does not elect to take the annual rate increase, it must notify the Public Utility Commission by no later than April 30, 2024. The proposed resolution before Council is approve a resolution accepting the annual rate increase.

RECOMMENDATION:

Approve the resolution accepting the Public Utility Commission's 2024 maximum access lines rates increase.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

None.

FISCAL IMPACT:

N/A

STAFF CONTACT:

Matt Ribitzki
Sr. Deputy City Attorney/Director of Legal Services
mribitzki@burlesontx.com
817-426-9664