

SF3711 - 4A - Internet Service; Adherence to Net Neutrality

Chief Author: **Ron Latz**
 Committee: **Commerce And Consumer Protection**
 Date Completed: **4/9/2024 9:35:18 AM**
 Lead Agency: **Commerce Dept**
 Other Agencies:
 Attorney General

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
State Total						
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 4/9/2024 9:35:18 AM
Phone: 651-296-6055 **Email:** karl.palm@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

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 Committee: **Commerce And Consumer Protection**
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 Agency: **Commerce Dept**

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Full Time Equivalent Positions (FTE)		Biennium			Biennium	
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LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 4/9/2024 9:33:54 AM
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Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

The bill would grant the Department new permissible authority to enforce net neutrality and other consumer protections against Internet Service Providers (ISPs). These protections include prohibitions on degrading or impeding lawful internet traffic, interfering with a customer's ability to access lawful internet content or to use the device of their choosing to access such content, and prohibitions on deceptive marketing practices relating to the ISP's net neutrality practices.

Assumptions

Investigating and bringing enforcement action against ISPs based on violations of net neutrality laws would require subject matter expertise in a complex and novel area, including a thorough understanding of how ISP algorithms operate, and how to request relevant data from ISPs. Accordingly, the Department assumes that investigations into compliance with the law would be complicated and may require significant data collection and analysis. Commerce assumes that many complaints may be referred to federal authorities.

The bill allows permissive enforcement, not mandatory enforcement by the Department of Commerce.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations**Local Fiscal Impact****References/Sources****Agency Contact:**

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SF3711 - 4A - Internet Service; Adherence to Net Neutrality

Chief Author: **Ron Latz**
 Committee: **Commerce And Consumer Protection**
 Date Completed: **4/9/2024 9:35:18 AM**
 Agency: **Attorney General**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 4/9/2024 9:21:51 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

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Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

Section 1 requires internet service providers to comply with net neutrality principles with respect to Minnesota consumers. The Commissioner of Commerce may enforce this provision by filing a civil action.

Assumptions

The Attorney General's Office provides legal representation to the Department of Commerce. As Commerce is assuming that they will not be bringing any enforcement actions, the AGO will not have any costs associated with this bill. If Commerce decides to bring enforcement actions in the future, the AGO would likely also have costs.

Expenditure and/or Revenue Formula

n/a

Long-Term Fiscal Considerations

n/a

Local Fiscal Impact

n/a

References/Sources

n/a

Agency Contact: Laura Sayles

Agency Fiscal Note Coordinator Signature: Laura Capuana

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