

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 32-2024

Introduced: March 4, 2024
Auditor: Diane Zagorski-Kelly

Fiscal Impact:

The fiscal impact of this legislation is the approximately \$94,000 in fees the County incurred to negotiate the new franchise agreement.

This agreement also allows Comcast to assess a new monthly fee of \$0.60 per cable subscriber for Public, Education, and Government (PEG) Service on behalf of the County. The total amount collected from Comcast customers can't be estimated, as the number of Comcast subscribers is proprietary.

Comcast will continue to pay the County a franchise fee of 5 percent of annual gross revenues. As a reference, the County has collected average franchise fees from Comcast of approximately \$1,570,000 a year between Fiscal Years 2019 and 2023.

Purpose:

Council Resolution 32-2024 is requesting approval of a franchise renewal agreement with Comcast of Howard County, LLC, in accordance with the Howard County Code Section 14.4 - Howard County Cable Television Systems Franchise Act.

Other Comments:

Pursuant to 14.408(h), the County collected a franchise application fee of \$5,000 that was received on December 6, 2023, for CR12-2024. The County did not impose an optional franchise acceptance fee.

The Department of Finance has indicated that PEG revenues and expenditures will be managed as a private grant in the County's financial system. According to the agreement, PEG grant proceeds may be used for capital expenses, which include studio facilities, studio/portable production equipment, editing equipment, and program playback equipment.

There are no cost sharing or maintenance obligations to the County for infrastructure development.