

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 12-2024

Introduced: January 2, 2024

Auditors: Diane Zagorski-Kelly

Fiscal Impact:

The fiscal impact of this legislation is General Fund revenue of \$5,000, which is the required payment for the submission of a franchise renewal application.

Assuming approval of this legislation results in Comcast of Howard County, LLC (Comcast) continuing to serve as a cable franchise in Howard County, the County would continue to collect a five-percent fee (the maximum allowable by federal law) from the cable franchise based on its gross income.

For reference, the County has annually received approximately \$1.5 million in revenue from the franchise agreement with Comcast over the past three years.

Purpose:

Council Resolution 12-2024 is requesting approval of a franchise renewal application with Comcast of Howard County, LLC, in accordance with the Howard County Code Section 14.4 - Howard County Cable Television Systems Franchise Act. Once the renewal application is approved, this will allow for franchise negotiations to begin.

Other Comments:

Upon approval of the franchise application, the County Executive and Comcast will negotiate an agreement. The Cable Administrator (Administrator) has stated that the resulting franchise agreement will be presented to the Council for their approval.

The last franchise renewal application was approved by Council Resolution 63-2008. According to the Administrator, there was no resulting franchise agreement and by not moving forward with a negotiated agreement, the County is in violation of Section 14.408 of the Howard County Code by extending a franchise agreement beyond 15 years.

However, the Administrator explained that, in accordance with federal law, the County and Comcast have continued to operate under the terms of the 1995 franchise agreement (as amended in 2001) to avoid potential loss of cable services for residents of the County.

At the present time, the County has cable franchises with Comcast and Verizon Maryland, Inc.