

# Fiscal Analysis

## WIRELESS EMERGENCY PHONE SERVICE CONNECTION FEE



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**Bill/Sponsor**                      **HOUSE BILL 4439 (H-1)**, Rep. Kenneth L. Bradstreet

**House Committee**                Energy and Technology

### **Analysis**

#### **Summary**

The current act provides the assessment of an emergency 9-1-1 service charge of 52 cents per month for each commercial mobile radio service (CMRS) connection. The assessment of the fee is set to be expired on January 1, 2004. The bill would extend the assessment of the fee; reduce the fee to 29 cents for all suppliers after December 31, 2005; allow an earlier reduction to 29 cents for suppliers who are not seeking reimbursement from the fund; and alter the way money in the fund is distributed. The entire act would expire on December 31, 2006.

Prior to July 1, 2004, all CMRS supplier would be required to notify the Emergency Telephone Services Committee (ETSC) as to whether they will seek reimbursement from the fund for any costs incurred between July 1, 2004 and December 31, 2005. If a CMRS supplier provides notice to the ETSC that it will not be seeking reimbursement, it would be required to impose a charge of 29 cents beginning 30 days after it notifies the ETSC. If a CMRS supplier continues to receive money from the fund after July 1, 2004, it would continue to assess the 52 cent until December 31, 2005. After that date, those CMRS suppliers would also assess a surcharge of 29 cents per month.

All CMRS suppliers may submit an invoice of costs to the Emergency Telephone Services Committee (ETSC) for reimbursement of costs until July 1, 2004. After that date, only those CMRS suppliers that have chosen to continue to seek reimbursement could submit an invoice.

The Department of State Police would be permitted to prepare a list of projects in priority order that the department recommends for funding. The legislature would review and approve these projects by law. If a project provides infrastructure or equipment for use by CMRS suppliers, the department would be required to charge a reasonable fee for the use of that infrastructure or project. Any fees collected would be deposited into the fund.

The bill would maintain the original distribution system except that it would eliminate the 25 cents to CMRS suppliers, and would provide up to one-half cents to the Department of State Police if the department seeks reimbursement from the fund for costs incurred in administering the act or the operation of a public safety answering points (PSAP). The reimbursement should not exceed

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one-half of one cent of the monthly service charge. However, if the department establishes an E-911 coordinator position within the department, the reimbursement could not exceed one cent of the monthly service charge. The bill would repeal the current distribution formula in Section 409 and place the new, but similar formula into Section 408.

In addition, a local exchange provider would be permitted to submit an invoice to the commission for reimbursement from the fund for any expenses incurred with the delivery of wireless 9-1-1 calls to a PSAP. The Public Service Commission would make a recommendation for approval or denial of the invoice to the ETSC within 60 days after the invoice is submitted.

**Fiscal Impact**

A total of \$14 and \$17 million have been collected in FY 2001-02 and FY 2002-03 respectively from the assessment of an emergency 9-1-1 service charge of 52 cents per month for each CMRS connection. The assessment of the fee is extended for another three years until December 31, 2006. This would allow collection of additional revenue in the indeterminate amount depending on various factors: number of suppliers who do not seek reimbursement from the fund; number of approved projects by the Department of State Police and any fees collected from conducting the projects; costs incurred to the Department of State Police in administering the act or the operation of a PSAP; and number of approved invoices submitted by local exchange provider and CMRS suppliers.

**Analyst(s)**

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**FLOOR ANALYSIS - 11/13/03**

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