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MANAGEMENI, ENHANCEMENI, AND
FUNDING OF 911 SYSTEM
2004 GENERAL SESSION
STATE OF UTAH
Sponsor: Brad L. Dee
LONG TITLE
General Description:
This bill imposes a fee on wireless and land-based telephones to create a statewide
unified emergency 911 system capable of geographically locating a wireless telephone
user's location in an emergency.
Highlighted Provisions:
This bill:
 creates a 16 cent per month state fee on telephone services for unified statewide
E-911 emergency services;
 provides for the administration, collection, and enforcement of telephone E-911
emergency fees by the State Tax Commission;
 deposits the telephone fees into a restricted account in the General Fund for unified
statewide E-911 emergency services;
 repeals the advisory Utah 911 Committee in the Bureau of Communications in the
Department of Public Safety;
 creates a new state Utah 911 Committee in the Department of Public Safety to
develop state standards for the unified E-911 emergency system and to administer
the fund;
 establishes criteria for the use of the fund to ensure implementation of land-based
and wireless E-911 and requires the Utah 911 Committee to report annually to the
Executive Appropriations Committee;



28	 authorizes local governments to increase the local levy on telephone services for
29	911 emergency services from a maximum of 53 cents per month to a maximum of
30	65 cents per month;
31	reduces the 16 cent state E-911 emergency service fee in 2006 to nine cents;
32	► sunsets the state imposed fee on July 1, 2011; and
33	 makes technical changes.
34	Monies Appropriated in this Bill:
35	This bill appropriates for fiscal year 2004-05 only, \$3.7 million from the Statewide
36	Unified E-911 Emergency Service Fund to the Utah 911 Committee.
37	Other Special Clauses:
38	This bill takes effect immediately, except:
39	► the effect of the local and state fee increase is delayed until July 1, 2004;
40	▶ the amount of the state imposed fee is amended on July 1, 2006; and
41	► the state imposed fee sunsets on July 1, 2011.
42	Utah Code Sections Affected:
43	AMENDS:
44	69-2-5, as last amended by Chapter 253, Laws of Utah 2003
45	ENACTS:
46	53-10-601 , Utah Code Annotated 1953
47	53-10-602 , Utah Code Annotated 1953
48	53-10-603 , Utah Code Annotated 1953
49	53-10-604 , Utah Code Annotated 1953
50	53-10-605 , Utah Code Annotated 1953
51	53-10-606 , Utah Code Annotated 1953
52	63-55-269 , Utah Code Annotated 1953
53	69-2-5.6 , Utah Code Annotated 1953
54	REPEALS:
55	53-10-503, as enacted by Chapter 269, Laws of Utah 2002
56	

57 Be it enacted by the Legislature of the state of Utah:

Section 1. Section **53-10-601** is enacted to read:

59	Part 6. Coordination of Statewide 911 Emergency Communications
60	53-10-601. Utah 911 Committee.
61	(1) There is created within the division, the Utah 911 Committee consisting of the
62	following 13 members:
63	(a) a representative from each of the following Primary Emergency Public Safety
64	Answering Points:
65	(i) Salt Lake County:
66	(ii) Davis County;
67	(iii) Utah County; and
68	(iv) Weber County;
69	(b) three members representing the following Primary Emergency Public Safety
70	Answering Points:
71	(i) Bear River Association;
72	(ii) Uintah Basin Association;
73	(iii) South East Association;
74	(iv) Six County Association; and
75	(v) Five County Association;
76	(c) the following people with knowledge of technology and equipment that might be
77	needed for an emergency public safety answering system:
78	(i) a representative from a local exchange carrier;
79	(ii) a representative from a rural incumbent local exchange carrier; and
80	(iii) two representatives from radio communications services as defined in Section
81	<u>69-2-2;</u>
82	(d) a representative from the Department of Public Safety; and
83	(e) a representative from the Utah Committee of Consumer Services.
84	(2) (a) Each committee member shall be appointed by the governor with the consent of
85	the Senate.
86	(b) The term of office of each member is four years, except that the governor shall
87	appoint two representatives each from Subsections (1)(a), (b), and (c) to an initial two-year
88	<u>term.</u>
89	(c) The representatives from Subsection (1)(b) must rotate to provide each geographic

90	location at least one representative every four years.
91	(d) No member of the committee may serve more that two consecutive four-year terms.
92	(e) Each mid-term vacancy shall be filled for the unexpired term in the same manner as
93	an appointment under Subsection (2)(a).
94	(3) (a) Committee members shall elect a chair from their number and establish rules for
95	the organization and operation of the committee, with the chair rotating among representatives
96	from Subsections (1)(a), (b), and (c) every year.
97	(b) Staff services to the committee:
98	(i) shall be provided by the division; and
99	(ii) may be provided by local entities through the Utah Association of Counties and the
100	Utah League of Cities and Towns, with funds approved by the committee from those identified
101	as available to local entities under Section 53-10-605.
102	(4) (a) No member may receive compensation or benefits for the member's service on
103	the committee.
104	(b) A member is not required to give bond for the performance of official duties.
105	Section 2. Section 53-10-602 is enacted to read:
106	53-10-602. Committee's duties and powers.
107	(1) The committee shall:
108	(a) review and make recommendations to the division, the Bureau of Communications,
109	public safety answering points, the Utah Committee of Consumer Services, and the Legislature
110	on:
111	(i) technical and operational issues for the implementation of a unified statewide
112	wireless and land-based E-911 emergency system;
113	(ii) specific technology and standards for the implementation of a unified statewide
114	wireless and land-based E-911 emergency system;
115	(iii) expenditures by local public service answering points to assure implementation of
116	a unified statewide wireless and land-based E-911 emergency system and standards of
117	operation; and
118	(iv) mapping systems and technology necessary to implement the unified statewide
119	wireless and land-based E-911 emergency system;
120	(b) administer the fund as provided in this part;

121	(c) assist as many local entities as possible, at their request, to implement the
122	recommendations of the committee; and
123	(d) fulfill all other duties imposed on the committee by the Legislature by this part.
124	(2) The committee may sell, lease, or otherwise dispose of equipment or personal
125	property belonging to the committee, the proceeds from which shall return to the fund.
126	(3) The committee may establish a cap on the percentage of reimbursement allowed
127	under Subsection 69-2-5(5)(c)(ii)(B)(I) provided that:
128	(a) the percentage does not exceed revenues received under Subsection 69-2-5(5)(a);
129	(b) the percentage is based on the aggregated cost studies required by Section
130	53-10-606; and
131	(c) the reimbursement allowed under Subsection 69-2-5(5)(c)(ii)(B)(I) does not exceed
132	125% of any wireless carrier's contribution to the fund.
133	(4) The committee shall adopt rules in accordance with Title 63, Chapter 46a, Utah
134	Administrative Rulemaking Act, to administer the fund created in Section 53-10-603 including
135	rules that establish the criteria, standards, technology, and equipment that a local entity or state
136	agency must adopt in order to qualify for loans or grants from the fund.
137	Section 3. Section 53-10-603 is enacted to read:
138	53-10-603. Creation of Statewide Unified E-911 Emergency Service Fund.
139	There is created a restricted account in the General Fund entitled the "Statewide Unified
140	E-911 Emergency Service Fund," consisting of:
141	(1) proceeds from the fee imposed in Section 69-2-5.6;
142	(2) money appropriated or otherwise made available by the Legislature;
143	(3) repayments of any loan from the fund and interest paid on the loan; and
144	(4) contributions of money, property, or equipment from federal agencies, political
145	subdivisions of the state, persons, or corporations.
146	Section 4. Section 53-10-604 is enacted to read:
147	53-10-604. Committee expenses Tax commission expenses Division of Finance
148	responsibilities.
149	(1) Committee expenses and the costs of administering loans or grants from the fund,
150	as provided in Subsection (3), shall be paid from the fund.
151	(2) (a) The expenses and costs of the State Tax Commission to administer and enforce

152	the collection of the telephone levy imposed by Section 69-2-5.6 shall be paid from the fund.
153	(b) (i) The State Tax Commission may charge the fund the administrative costs
154	incurred in discharging the responsibilities imposed by Section 69-2-5.6.
155	(ii) The charges in Subsection (2)(b)(i) may not exceed an amount equal to 1.5% of the
156	charges imposed under Section 69-2-5.6.
157	(3) (a) The Division of Finance shall be responsible for the care, custody, safekeeping,
158	collection, and accounting for loans or grants issued by the committee under the provisions of
159	Section 53-10-605.
160	(b) The Division of Finance may charge the fund the administrative costs incurred in
161	discharging the responsibilities imposed by Subsection (3)(a).
162	(c) The charges imposed under Subsection (3)(b) may not exceed an amount equal to
163	1.5% of the loans or grants issued under Subsection (3)(a).
164	Section 5. Section 53-10-605 is enacted to read:
165	53-10-605. Use of money in fund Criteria Administration.
166	(1) Subject to an annual legislative appropriation from the fund to:
167	(a) the committee, the committee may:
168	(i) authorize the use of the money in the fund, by grant or loan to a local entity or state
169	agency in accordance with this Subsection (1) and Subsection (2);
170	(ii) grant or loan to state agencies and local entities an amount not to exceed the per
171	month fee levied on telephone services under Section 69-2-5.6 for installation, implementation,
172	and maintenance of unified, statewide 911 emergency services and technology; and
173	(iii) grant or loan to counties of the third through sixth class an amount not to exceed 3
174	cents per month levied on telephone services under Section 69-2-5.6 to enhance the 911
175	emergency services and integrate wireless systems and location technology in rural areas of the
176	state; and
177	(b) the state's Automated Geographic Reference Center in the Division of Information
178	Technology Services, an amount equal to 1 cent per month levied on telephone services under
179	Section 69-2-5.6 shall be used to enhance and upgrade statewide digital mapping standards.
180	(2) (a) Beginning July 1, 2007, the committee may not grant or loan the money in the
181	fund to a local entity unless the local entity is in compliance with Phase I wireless E-911
182	service.

183	(b) Beginning July 1, 2009, the committee may not grant or loan money in the fund to a
184	local entity unless the local entity is in compliance with Phase II wireless E-911 service.
185	(3) A local entity must deposit any money it receives from the committee into a special
186	emergency telephone service fund in accordance with Subsection 69-2-5(4).
187	(4) For purposes of this part, "local entity" means a county, city, town, special district,
188	local district, or interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation Act.
189	Section 6. Section 53-10-606 is enacted to read:
190	53-10-606. Committee to report annually.
191	(1) The committee shall submit an annual report to the Executive Appropriations
192	Committee of the Legislature which shall include:
193	(a) the total aggregate surcharge collected by local entities and the state in the last
194	fiscal year under Sections 69-2-5 and 69-2-5.6;
195	(b) the amount of each disbursement from the fund, whether by loan or grant;
196	(c) the recipient of each disbursement and describing the project for which money was
197	disbursed;
198	(d) the conditions, if any, placed by the committee on disbursements from the fund;
199	(e) the planned expenditures from the fund for the next fiscal year;
200	(f) the amount of any unexpended funds carried forward:
201	(g) a cost study to guide the Legislature towards necessary adjustments of both the
202	Statewide Unified E-911 Emergency Service Fund and the monthly emergency services
203	telephone charge imposed under Section 69-2-5; and
204	(h) a progress report of local government implementation of wireless and land-based
205	E-911 services including:
206	(i) a fund balance or balance sheet from each agency maintaining its own emergency
207	telephone service fund;
208	(ii) a report from each public safety answering point of annual call activity separating
209	wireless and land-based 911 call volumes; and
210	(iii) other relevant justification for ongoing support from the Statewide Unified E-911
211	Emergency Service Fund.
212	(2) (a) The committee may request information from a local entity as necessary to
213	prepare the report required by this section.

214	(b) A local entity imposing a levy under Section 69-2-5 or receiving a grant or loan
215	under Section 53-10-605 shall provide the information requested pursuant to Subsection (2)(a).
216	Section 7. Section 63-55-269 is enacted to read:
217	<u>63-55-269.</u> Repeal dates, Title 69.
218	Section 69-2-5.6, Emergency services telephone charge to fund statewide unified E-911
219	emergency service, is repealed July 1, 2011.
220	Section 8. Section 69-2-5 is amended to read:
221	69-2-5. Funding for 911 emergency telephone service.
222	(1) In providing funding of 911 emergency telephone service, any public agency
223	establishing a 911 emergency telephone service may:
224	(a) seek assistance from the federal or state government, to the extent constitutionally
225	permissible, in the form of loans, advances, grants, subsidies, and otherwise, directly or
226	indirectly;
227	(b) seek funds appropriated by local governmental taxing authorities for the funding of
228	public safety agencies; and
229	(c) seek gifts, donations, or grants from individuals, corporations, or other private
230	entities.
231	(2) For purposes of providing funding of 911 emergency telephone service, special
232	service districts may raise funds as provided in Section 17A-2-1322 and may borrow money
233	and incur indebtedness as provided in Section 17A-2-1316.
234	(3) (a) Except as provided in Subsection (3)(b) and subject to the other provisions of
235	this Subsection (3) a county, city, or town within which 911 emergency telephone service is
236	provided may levy monthly an emergency services telephone charge on:
237	(i) each local exchange service switched access line within the boundaries of the
238	county, city, or town; and
239	(ii) each revenue producing radio communications access line with a billing address
240	within the boundaries of the county, city, or town.
241	(b) Notwithstanding Subsection (3)(a), an access line provided for public coin
242	telephone service is exempt from emergency telephone charges.
243	(c) The amount of the charge levied under this section may not exceed:
244	(i) [53] 65 cents per month for each local exchange service switched access line; and

245	(ii) [53] 65 cents per month for each radio communications access line.
246	(d) (i) For purposes of this Subsection (3)(d) the following terms shall be defined as
247	provided in Section 59-12-102:
248	(A) "mobile telecommunications service";
249	(B) "primary place of use";
250	(C) "service address"; and
251	(D) "telephone service."
252	(ii) An access line described in Subsection (3)(a) is considered to be within the
253	boundaries of a county, city, or town if the telephone services provided over the access line are
254	located within the county, city, or town:
255	(A) for purposes of sales and use taxes under Title 59, Chapter 12, Sales and Use Tax
256	Act; and
257	(B) determined in accordance with Section 59-12-207.
258	(iii) The rate imposed on an access line under this section shall be determined in
259	accordance with Subsection (3)(d)(iv) if the location of an access line described in Subsection
260	(3)(a) is determined under Subsection (3)(d)(ii) to be a county, city, or town other than county,
261	city, or town in which is located:
262	(A) for telephone service other than mobile telecommunications service, the
263	purchaser's service address; or
264	(B) for mobile telecommunications service, the purchaser's primary place of use.
265	(iv) The rate imposed on an access line under this section shall be the lower of:
266	(A) the rate imposed by the county, city, or town in which the access line is located
267	under Subsection (3)(d)(ii); or
268	(B) the rate imposed by the county, city, or town in which it is located:
269	(I) for telephone service other than mobile telecommunications service, the purchaser's
270	service address; or
271	(II) for mobile telecommunications service, the purchaser's primary place of use.
272	(e) (i) A county, city, or town shall notify the Public Service Commission of the intent
273	to levy the charge under this Subsection (3) at least 30 days prior to the effective date of the
274	charge being levied.

(ii) For purposes of this Subsection (3)(e):

275

276	(A) "Annexation" means an annexation to:
277	(I) a city or town under Title 10, Chapter 2, Part 4, Annexation; or
278	(II) a county under Title 17, Chapter 2, Annexation to County.
279	(B) "Annexing area" means an area that is annexed into a county, city, or town.
280	(iii) (A) If, on or after July 1, 2003, a county, city, or town enacts or repeals a charge
281	under this section, the enactment or repeal shall take effect:
282	(I) on the first day of a calendar quarter; and
283	(II) after a 75-day period beginning on the date the State Tax Commission receives
284	notice meeting the requirements of Subsection (3)(e)(iii)(B) from the county, city, or town.
285	(B) The notice described in Subsection (3)(e)(iii)(A) shall state:
286	(I) that the county, city, or town will enact or repeal a charge under this section;
287	(II) the statutory authority for the charge described in Subsection (3)(e)(iii)(B)(I); and
288	(III) the effective date of the charge described in Subsection (3)(e)(iii)(B)(I).
289	(iv) (A) If, for an annexation that occurs on or after July 1, 2003, the annexation will
290	result in a change in a charge imposed under this section being imposed in an annexing area,
291	the change shall take effect:
292	(I) on the first day of a calendar quarter; and
293	(II) after a 75-day period beginning on the date the State Tax Commission receives
294	notice meeting the requirements of Subsection (3)(e)(iv)(B) from the county, city, or town that
295	annexes the annexing area.
296	(B) The notice described in Subsection (3)(e)(iv)(A) shall state:
297	(I) that the annexation described in Subsection (3)(e)(iv)(A) will result in a change in
298	the charge being imposed under this section for the annexing area;
299	(II) the statutory authority for the charge described in Subsection $(3)(e)(iv)(B)(I)$; and
300	(III) the effective date of the charge described in Subsection (3)(e)(iv)(B)(I).
301	(f) Subject to Subsection (3)(g), an emergency services telephone charge levied under
302	this section shall:
303	(i) be billed and collected by the person that provides the:
304	(A) local exchange service switched access line services; or
305	(B) radio communications access line services; and
306	(ii) remitted to the State Tax Commission.

307	(g) An emergency services telephone charge on a mobile telecommunications service
308	may be levied, billed, and collected only to the extent permitted by the Mobile
309	Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.
310	(h) The State Tax Commission shall:
311	(i) collect, enforce, and administer the charge imposed under this Subsection (3)
312	pursuant to the same procedures used in the administration, collection, and enforcement of the
313	state sales and use taxes under:
314	(A) Title 59, Chapter 1, General Taxation Policies; and
315	(B) Title 59, Chapter 12, Part 1, Tax Collection, except for Sections 59-12-104,
316	59-12-104.1, and 59-12-104.2;
317	(ii) transmit monies collected under this Subsection (3):
318	(A) monthly; and
319	(B) by electronic funds transfer by the commission to the county, city, or town that
320	imposes the charge; and
321	(iii) charge the county, city, or town for the State Tax Commission's services under this
322	Subsection (3) in an amount:
323	(A) sufficient to reimburse the State Tax Commission for the cost to the State Tax
324	Commission in rendering the services; and
325	(B) that may not exceed an amount equal to 1.5% of the charges imposed under this
326	Subsection (3).
327	(4) (a) Any money received by a public agency for the provision of 911 emergency
328	telephone service shall be deposited in a special emergency telephone service fund.
329	(b) (i) [The] Except as provided in Subsection (5), the money in the emergency
330	telephone service fund [described in Subsection (4)(a)] shall be expended by the public agency
331	to pay the costs of establishing, installing, maintaining, and operating a 911 emergency
332	telephone system or integrating a 911 system into an established public safety dispatch center,
333	including contracting with the providers of local exchange service, radio communications
334	service, and vendors of appropriate terminal equipment as necessary to implement the 911
335	emergency telephone service.
336	(ii) Revenues derived for the funding of 911 emergency telephone service may only be
337	used for that portion of costs related to the operation of the 911 emergency telephone system

338	when such a system is integrated with any public safety dispatch system.
339	(c) Any unexpended money in the emergency telephone service fund at the end of a
340	fiscal year does not lapse, and must be carried forward to be used for the purposes described in
341	this section.
342	(5) (a) Revenue received by a local entity from an increase in the levy imposed under
343	Subsection (3) after the 2004 Annual General Session, or from loans or grants from the Utah
344	911 Committee pursuant to Section 53-10-605:
345	(i) shall be deposited into the special emergency telephone service fund described in
346	Subsection (4)(a); and
347	(ii) shall only be used for that portion of the costs related to the development and
348	operation of wireless and land-based enhanced 911 emergency telephone service and the
349	implementation of wireless E-911 Phase I and Phase II services as provided in Subsection
350	<u>(5)(b).</u>
351	(b) The costs allowed under Subsection (5)(a)(ii):
352	(i) shall include the public service answering point's or local entity's costs for:
353	(A) acquisition, upgrade, modification, maintenance, and operation of public service
354	answering point equipment capable of receiving E-911 information;
355	(B) database development, operation, and maintenance; and
356	(C) personnel costs associated with establishing, installing, maintaining, and operating
357	wireless E-911 Phase I and Phase II services, including training emergency service personnel
358	regarding receipt and use of E-911 wireless service information and educating consumers
359	regarding the appropriate and responsible use of E-911 wireless service; and
360	(ii) may include reimbursement to a provider of radio communications service as
361	defined in Section 69-2-2 for costs as provided in Subsection (5)(c).
362	(c) An agreement to reimburse costs to a provider of radio communications services:
363	(i) must be a written agreement between a public service answering point or other local
364	entity receiving money under Subsection (5)(a), and a provider; and
365	(ii) may include reimbursement:
366	(A) in an amount not to exceed 1.5% of the levy imposed under Subsection (3), for the
367	provider's recurring costs of billing, collecting, and remitting the levy; and
368	(B) to the provider for the cost of design, development, and implementation of

369	equipment or software necessary to provide enhanced E-911 wireless service information to				
370	public service answering points, provided:				
371	(I) the reimbursement under this Subsection (5)(c)(ii)(B) does not exceed the				
372	percentage established by the Utah 911 Committee in accordance with Subsection				
373	53-10-602(3); and				
374	(II) the provider submits an invoice for the reimbursement to the public service				
375	answering point or local entity and the invoice is approved.				
376	(6) A local entity that increases the levy it imposes under Subsection (3)(c) after the				
377	2004 Annual General Session shall increase the levy to the maximum amount permitted by				
378	Subsection (3)(c).				
379	Section 9. Section 69-2-5.6 is enacted to read:				
380	69-2-5.6. Emergency services telephone charge to fund statewide unified E-911				
381	emergency service.				
382	(1) Subject to Subsection 69-2-5(3)(g), there is imposed a statewide unified E-911				
383	emergency service charge of 16 cents per month on each local exchange service switched				
384	access line and each revenue producing radio communications access line that is subject to an				
385	emergency services telephone charge levied by a county, city, or town under Section 69-2-5 or				
386	<u>69-2-5.5.</u>				
387	(2) The emergency services telephone charge imposed under this section shall be:				
388	(a) subject to Subsection 69-2-5(3)(g);				
389	(b) billed and collected by the person that provides:				
390	(i) local exchange service switched access line services; or				
391	(ii) radio communications access line services;				
392	(c) remitted to the State Tax Commission at the same time as the person remits to the				
393	State Tax Commission monies collected by the person under Title 59, Chapter 12, Sales and				
394	Use Tax Act; and				
395	(d) deposited into the Statewide Unified E-911 Emergency Service Fund restricted				
396	account in the General Fund created by Section 53-10-603.				
397	(3) The State Tax Commission shall collect, enforce, and administer the charges				
398	imposed under Subsection (1) pursuant to the same procedures used in the administration,				
399	collection, and enforcement of the emergency services telephone charge to fund the Poison				

400	Control Center under Section 69-2-5.5.
401	(4) This section sunsets in accordance with Section 63-55-269.
402	Section 10. Repealer.
403	This bill repeals:
404	Section 53-10-503, Utah 911 Committee.
405	Section 11. Appropriation.
406	There is appropriated \$3.7 million from the Statewide Unified E-911 Emergency
407	Service Fund for fiscal year 2004-05 only, to the Utah 911 Committee for the development of
408	enhanced 911 emergency services and integrated wireless systems as provided in Section
409	53-10-605. The appropriation from the Statewide Unified E-911 Emergency Service Fund is
410	intended to be ongoing, but not of a fixed dollar amount, as provided in Section 53-10-605.
411	Section 12. Effective date.
412	(1) If approved by two-thirds of all the members elected to each house, this act takes
413	effect upon approval by the governor, or the day following the constitutional time limit of Utah
414	Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
415	the date of veto override except that the following sections take effect on July 1, 2004:
416	(a) Section 69-2-5; and
417	(b) Section 69-2-5.6.
418	(2) Effective July 1, 2006, change the statewide unified E-911 emergency service
419	charge in Subsection 69-2-5.6(1) from 16 cents per month to nine cents per month.

Legislative Review Note as of 12-5-03 11:37 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Interim Committee Note as of 12-10-03 12:11 PM

The Law Enforcement and Criminal Justice Interim Committee recommended this bill.

State Impact

This bill appropriates \$3,700,000 from the Statewide Unified E-911 Emergency Service Fund to the Utah 911 Committee. Funding is intended to be on-going but not necessarily at the same amount. The \$0.16 fee per line (conventional and wireless) state tax will generate \$4,086,600 in eleven months of collection of FY 05. The \$0.16 state tax is reduced to \$0.09 in FY 07. The bill increases the cap from \$0.53 to \$0.65 that local governments are allowed to tax the same lines. If local governments increase taxes to the new cap, they will generate \$3,065,000 for the same 11 month year (collections lag one month).

	FY 2005	FY 2006	FY 2005	FY 2006
	Approp.	Approp.	Revenue	Revenue
GF Restricted	\$3,700,000	\$0	\$4,086,600	\$4,458,100
TOTAL	\$3,700,000	\$0	\$4,086,600	\$4,458,100

Individual and Business Impact

Individuals and business will pay an additional \$0.16 per phone line per month plus whatever local governments add under the new cap.

Office of the Legislative Fiscal Analyst