

HOUSE BILL REPORT

E2SSB 6034

As Reported by House Committee On:

Finance

Title: An act relating to a state wireless enhanced 911 excise tax.

Brief Description: Providing funding for wireless enhanced 911 services.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Fraser and Finkbeiner).

Brief History:

Committee Activity:

Finance: 2/27/02, 3/4/02 [DPA].

Brief Summary of Engrossed Second Substitute Bill (As Amended by House Committee)

- The county tax for emergency service communications systems is redesignated as the enhanced 911 excise tax and is increased from 25 to 50 cents per wireless line per month.
- A state E911 tax of 20 cents per month is imposed on each wireless line per month, to be deposited in the E911 account.
- The purposes for which moneys in the E911 account can be used is expanded to include implementation and operation of wireless E911 statewide.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass as amended. Signed by 11 members: Representatives Gombosky, Chair; Berkey, Vice Chair; Cairnes, Ranking Minority Member; Conway, Morris, Nixon, Orcutt, Roach, Santos, Van Luven and Veloria.

Staff: Mark Matteson (786-7145).

Background:

Emergency 911 telephone services allow callers to reach agencies that can dispatch the

appropriate type of response. "Enhanced" 911, or "E911," allows the person answering the emergency call to identify the location of the calling party.

In 1991 the voters of Washington adopted Referendum 42, which imposed a 20 cent maximum per-month tax on each switched access telephone line (wireline) to pay for E911 throughout the state. The actual tax rate is based on actual revenue needs and may vary from year to year. The state tax is administered by a state E911 coordinator. The coordinator is assisted by the E911 advisory committee, appointed by the Adjutant General of the state Military Department, and representing fire, safety, utility, telecommunication, and local government officials. There are currently 27 members on the advisory committee.

In addition to state taxes, there are also county taxes. Counties may impose up to a 50 cent tax per switched access line for E911 purposes. Counties may also impose up to 25 cents per radio access (wireless) line for basic 911 purposes.

The legislation in 1994 authorizing counties to impose a wireless 911 tax of 25 cents per month also directed wireless telecommunications companies to provide automatic number identification (ANI) to Public Safety Answering Points (PSAPs) for 911 calls at no charge.

In 1996 the Federal Communications Commission (FCC) issued an order requiring wireless carriers to provide E911 service in two phases. By April 1998 wireless carriers must provide ANI and cell sector locations for emergency calls (Phase I). By October 2001 wireless carriers must provide actual latitude and longitude coordinates so that most emergency calls may be pinpointed to within 410 feet of a caller's exact location (Phase II). Wireless carriers must only comply with these FCC requirements if the following conditions are met:

1. A 911 call center must request ANI and cell sector location data (Phase I);
2. The requesting call center must be capable of receiving and using the data; and
3. A funding mechanism must be in place to recover costs of providing these E911 services.

On November 18, 1999, the FCC removed the requirement that a funding mechanism be in place to recover wireless carrier costs of providing these E911 services but retained the requirement for PSAP cost recovery.

Summary of Amended Bill:

The county 25 cent tax on each radio access line for basic 911 is redesignated as an enhanced 911 tax and increased to 50 cents.

A state E911 tax of 20 cents per month is imposed on each radio access line. Revenues from the state tax are deposited into the enhanced 911 account. The purposes for which the account can be used are expanded to include implementation and operation of wireless E911 statewide, including adequate funding of counties and reimbursement of wireless carriers. None of the 20 cents may be distributed to a county unless the county has imposed the local 50 cent tax on each radio access line at the maximum rate.

The state ANI law is repealed.

Representatives of large and small wireless companies are added to the E911 advisory committee.

Amended Bill Compared to Engrossed Second Substitute Bill:

Directs counties to implement wireless E911 service as soon as practicably possible. Provides that county funding for E911 communications must be a minimum of either the amount of funding generated by the county wireline and wireless E911 taxes (as opposed to just the wireline taxes under the underlying bill), or the amount necessary to provide full funding of the system.

Removes the prohibition concerning the distribution of the new state wireless E911 tax to local governments that have imposed moratoria on the siting of new cellular towers that provide emergency communications services.

Makes technical corrections.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect on January 1, 2003.

Testimony For: We are moving into a cell phone era. We need an enhanced 911 system to be able to provide the same services to wireless users as are provided to wireline users. This is a lifesaving service.

People expect and deserve a system that can determine their location when they make 911 calls from cell phones. Currently, in rural Washington, cell phone users that need emergency aid can't always be accurately located or give accurate locations themselves.

The provision concerning the prohibition of distributing state funds to cities with moratoria on cell tower placements should be removed. This bill is really about financing issue. Stakeholders have worked long and hard on this proposal and the

additional piece concerning moratoria should be removed.

Testimony Against: None.

Testified: Senator Fraser, prime sponsor; Dan LaRoche, Douglass County Sheriff, Washington Association of Sheriffs and Police Chiefs; Jim Quakenbush, Thurston County 911; Steve Gano, Cingular Wireless; and Victoria Lincoln, Association of Washington Cities.