

SENATE BILL REPORT

SB 6111

As Reported By Senate Committee On:
Energy, Telecommunications & Utilities, January 16, 1996
Ways & Means, January 31, 1996

Title: An act relating to the implementation of the enhanced 911 excise tax study recommendations regarding 911 emergency communications system funding.

Brief Description: Providing for 911 emergency communications funding.

Sponsors: Senators Sutherland, Hochstatter, Hargrove, Morton, Finkbeiner, Prince, Fraser, Swecker and Oke.

Brief History:

Committee Activity: Energy, Telecommunications & Utilities: 1/9/96, 1/16/96 [DP-WM].
Ways & Means: 1/30/96, 1/31/96 [DPS].

SENATE COMMITTEE ON ENERGY, TELECOMMUNICATIONS & UTILITIES

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Sutherland, Chair; Loveland, Vice Chair; Finkbeiner, Hochstatter and Owen.

Staff: Phil Moeller (786-7445)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6111 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Drew, Finkbeiner, Hargrove, Hochstatter, Johnson, Kohl, Long, McDonald, Moyer, Sheldon, Snyder, Spanel, Strannigan, Sutherland, West, Winsley and Wojahn.

Staff: Terry Wilson (786-7433)

Background: Emergency 911 telephone services allow callers to reach agencies or entities that can dispatch the appropriate type of response. "Enhanced" 911, known as "E 911", allows the person answering the emergency call to identify the location of the calling party, even if the calling party cannot speak or is uncertain of the location. These E 911 systems require significantly higher investment and expenditures because of the additional information needed and the way this data base is used in the system.

In Washington, 911 systems are primarily administered by counties, and in some cases cities. Counties may impose up to 50 cents per month on each wired telephone line (referred to as

"switched access lines") to help fund 911 systems; counties may also impose up to 25 cents per month on each cellular telephone line (known as "radio access lines") for this purpose.

In 1991, the voters of Washington adopted Referendum 42, a measure that imposed a 20 cent maximum per-month tax on each wired telephone line to pay for E 911 throughout the state. Statewide E 911 was to be implemented through a statewide E 911 office by 1999. Referendum 42 included a clause that would lower this 20 cent rate to a maximum of 10 cents beginning in 1999.

Over the last several years, competition has begun to emerge for basic "dial tone" local exchange telephone service through alternative providers and a variety of wireless services. With the current 911 funding system tied primarily to traditional local exchange service, concern has been raised over the eventual ability of 911 systems to continue providing service and be adequately funded as the telecommunications network becomes more diverse. The 1994 Legislature responded to this concern by directing the Department of Revenue to study long-term funding for Enhanced 911.

Summary of Substitute Bill: The up to 20 cent per-month state Enhanced 911 excise tax is extended to cellular telephone lines. Until a system of automatic location identification is available for cellular telephones in all counties, the revenue raised from placing this tax on cellular telephone lines must be used to fund planning and implementation of Enhanced 911 for cellular telephone lines. A county may not receive any state Enhanced 911 excise tax funds unless the county imposes the maximum county Enhanced 911 taxes.

Statutory language that lowers the tax to a maximum of 10 cents beginning in 1999 is stricken.

Substitute Bill Compared to Original Bill: The original bill exempted emergency communications systems from civil damages caused by an act or omission of the emergency communications system, other than an act or omission constituting gross negligence or wanton and willful misconduct.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 1996.

Testimony For (Energy, Telecommunications & Utilities): This measure will allow adequate funding to help defray the costs of the increasing number of cellular calls to the emergency 911 system. This bill will also eventually provide revenues for long-term funding of costs that were not anticipated when the original funding study was conducted in 1990. The limitation on liability is extended to cover 911 systems in a manner similar to how telecommunications companies are presently covered.

Testimony Against (Energy, Telecommunications & Utilities): None.

Testified (Energy, Telecommunications & Utilities): PRO: Bill Vogler, WA State Assoc. of Counties; Jon Kaino, Pacific Co. Commissioner; Robb Menaul, WA State Hospital

Assoc.; Ross Baker, AT&T Wireless Services; Noel Mhyre, Fire Commissioners Assoc.; Mildred R. Tirapelle, Grays Harbor E911 Communications; K.O. Rosenberg, NE Tri-Counties.

Testimony For (Ways & Means): It has been five years since the E911 tax was enacted. The cost to counties is more significant than was thought it would be. The dramatic increase in cellular phones from 150,000 to 750,000 has put a great demand on the system. This helps solve the problem. The funding is vital to the counties, especially the smaller ones that could not install enhanced 911 without it.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): Dick Dixon, Grays Harbor County Commissioner (pro); Bill Vogler, WA State Association of Counties (pro); Ross C. Baker, AT&T Wireless Services (pro); K.O. Rosenberg, N.E. TriCos (pro).