

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 2639-02  
Bill No.: SB 784  
Subject: Counties: 911 Services, Local Tax  
Type: Original  
Date: January 13, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
General Revenue	\$0	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Economic Development - Public Service Commission (PSC)** assume no fiscal impact. PSC anticipates that this proposal will only have an affect on PSC if the wireline companies in counties, or cities not within counties, modify their tariffs to incorporate a reference to the approved tax that would appear on consumer bills. If tariff revisions are submitted, PSC would complete the standard review and/or approval process that is completed with all tariff revisions.

Officials of the **Department of Revenue, Department of Economic Development - Public Counsel, Office of the State Auditor, Department of Public Safety, Missouri Highway Patrol, and State Treasurer** assume no fiscal impact.

Officials of the **Office of the Secretary of State (SOS)** assume this proposal could require additional pages in the Missouri Register and the Code of State Regulations. Officials estimate costs of printing and publication at \$246 in FY 2005.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

ASSUMPTION (continued)

Officials of the **Office of Administration (COA)** assume twenty percent ( 20%) of the taxes collected for wireless services shall be forwarded to the State Treasurer and deposited in the State's 911 Emergency Services Fund. Monies in this fund will then be used for matching grants to counties for implementing a statewide 911 system. The 911 Emergency Services Fund will be administered by the Office Of Administration in consultation with the Department of Public Safety.

COA assumes two Telcom Analysts would be needed to establish grant guidelines and rules, review progress of county projects, meet with counties and establish standards, and decide on grantees. Staff would need to work with service providers, counties, other state agencies, and equipment providers to ensure a seamless and comprehensive Statewide 911 Emergency Network that assures Missouri citizens the emergency services envisioned by this legislation.

COA assumes that implementation of this legislation will not require the 2 analysts identified in this fiscal note until the last quarter of FY05. This is due to the fact that counties have to submit the 911 propositions to a vote and it is estimated that this would not be completed until last quarter of FY05. Also, COA assumes that the Office of Administration would not be responsible for ensuring wireless providers are remitting all 911 taxes collected to the counties. It is further assumed that the Office of Administration would not be responsible for ensuring 911 taxes collected by counties are only spent on 911 system implementation.

**Oversight** assumes this proposal is enabling legislation to the extent that this proposal does not require, but would allow a city not within a county or a county's governing body to place on the ballot the provisions contained in this proposal. This proposal, as written, would have no fiscal impact, however, this fiscal note is written assuming counties would levy the tax provided for and would conduct the emergency services required.

The County Commissions of Jefferson, Greene, Boone, Callaway, Cass, Clay, Platte, Cape Girardeau and St. Louis, and the City of St. Louis did not respond to our fiscal note request.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (3 Mo.)	FY 2006	FY 2007
<b>GENERAL REVENUE FUND</b>			
<u>Transfer In</u> - from 911 Fund	\$21,728	\$89,082	\$91,309
<u>Cost</u> - Office of Administration			
Personal Service (2 FTE)	(\$15,366)	(\$63,000)	(\$64,575)
Fringe Benefits	(\$6,362)	(\$26,082)	(\$26,734)
Equipment and Expense	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Cost - COA	<u>(\$21,728)</u>	<u>(\$89,082)</u>	<u>(\$91,309)</u>
<b>TOTAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (3 Mo.)	FY 2006	FY 2007
<b>EMERGENCY SERVICES FUND</b>			
<u>Income</u> to 911 Emergency Services Fund from tax on wireless phone users	Unknown	Unknown	Unknown
<u>Cost</u> to 911 Emergency Services Fund for Providing Emergency Services	(Unknown)	(Unknown)	(Unknown)
<u>Transfer Out</u> - to COA	<u>(\$21,728)</u>	<u>(\$89,082)</u>	<u>(\$91,309)</u>
<b>TOTAL ESTIMATED NET EFFECT TO EMERGENCY SERVICES FUND*</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

\*Assumes Unknown income will be disbursed for costs to COA and then for emergency service costs.

### FISCAL IMPACT - Small Business

Small businesses having wireless phones would pay a tax of up to \$ .50 per phone per month.

### DESCRIPTION

This proposal allows counties or St. Louis City to submit a tax to the voters that funds enhanced 911, also referred to as wireless 911 services. The governing body must choose one of two questions to submit to voters: (1) an extension of the wire line tax for 911 services to wireless services at the same rate; or (2) combine the taxes for wired and wireless into a flat tax of \$.50 per line per month.

Twenty percent of the taxes collected on wireless service will be deposited into the 911 Emergency Services Fund which is created. This percentage will be decreased to 10% when at least 60% of the counties with 75% of the population have passed a tax on wireless services. Then the percentage will be eliminated two years after 100% of the counties have passed a tax on wireless services. Moneys in the fund will be used for matching grants for the purpose of implementing a comprehensive statewide 911 system. These grants will be administered by the Office of Administration in consultation with the Department of Public Safety.

Only cities passing the tax will be eligible for grants and may not receive grants for longer than three years or which have an amount exceeding 5% of the total funds available. Grants may be made on a collective basis to counties entering inter-county agreements to provide services.

The proposal clarifies that taxes generated by either the wired line or wireless line tax may only be used for the provision of emergency telephone services and for no other purpose. The proposal also authorizes the State Auditor to perform audits to ensure moneys are being used in this manner.

The proposal expands the scope of the Advisory Committee for 911 Service Oversight to include oversight of implementation of enhanced 911 services. The Advisory Committee is also instructed to advise the Department of Public Safety and the Office of Administration regarding the matching grants from the 911 Emergency Services Fund.

Most provisions of the current statewide enhanced 911 tax are repealed by the proposal.

This legislation is federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Treasurer  
Office of State Auditor  
Office of Secretary of State  
Office of Administration  
Department of Economic Development  
Public Service Commission  
Office of Public Counsel  
Department of Public Safety  
Department of Revenue

NOT RESPONDING:

The County Commissions of : Jefferson, Greene, Boone, Callaway, Cass, Clay, Platte, Cape Girardeau, and St. Louis and the City of St. Louis



Mickey Wilson, CPA  
Director  
January 13, 2004