

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 3512-01
Bill No.: HB 1199
Subject: Cities; Counties; Emergency Services; Telecommunications
Type: Original
Date: March 16, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(\$21,728)	(\$89,082)	(\$91,309)
Total Estimated Net Effect on General Revenue Fund	(\$21,728)	(\$89,082)	(\$91,309)

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

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

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

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of State Auditor, Secretary of State - Elections, Department of Revenue, and the Department of Economic Development - Public Service Commission and Public Counsel** assume no fiscal impact to their agencies.

Officials of the **Department of Public Safety, Water Patrol, State Highway Patrol, and the Capitol Police** assume no fiscal impact.

Officials of the **Office of Secretary of State, Administrative Rules** 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, the 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 State Treasurer (STO)** assumes:

Counties, or cities not in a county, may put to a vote of its people a proposition to impose a tax to pay for the operation of emergency telephone service.

Section 190.304.3 states any county that has not implemented the program but is still collecting the taxes must cease collection immediately. They have twelve months to implement the program or the county "shall remit all taxes collected pursuant to this section to the state treasurer to be deposited in the 911 emergency services fund created pursuant to Section 190.312."

Creates "911 Emergency Services Fund" (Section 190.312)

- in the treasury
- administered by the Office of Administration in consultation with the Dept. of Public Safety
- exempt from biennial transfer
- retains interest earnings

Replaces the "Wireless Service Provider Enhanced 911 Service Fund" (Section 190.420)

STO assumes this proposal would require STO to deposit each quarter, taxes collected pursuant to any tax levied for wireless services. STO is requesting one FTE of the Accountant I level and the corresponding expense and equipment.

In response to SB 64 from last session, officials from STO assumed no fiscal impact. Therefore, **Oversight** assumes STO can handle any additional work created by this legislation with existing resources.

Officials of the **Office of Administration (COA)** state 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 additional FTE 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.

KJS:LR:OD (12/02)

ASSUMPTION (continued)

COA assumes that implementation of this legislation will not require the 2 Staff identified in this fiscal note until the last QTR 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 QTR - FY05. It is also assumed 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.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
<u>Costs - Office of Administration</u>			
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 Costs - COA	<u>(\$21,728)</u>	<u>(\$89,082)</u>	<u>(\$91,309)</u>

TOTAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$21,728)</u>	<u>(\$89,082)</u>	<u>(\$91,309)</u>
---	--------------------------	--------------------------	--------------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
---	---------------------	---------	---------

911 EMERGENCY SERVICES FUND

<u>Income - 911 Emergency Services Fund</u> from tax on wireless phone users	Unknown	Unknown	Unknown
---	---------	---------	---------

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<u>Costs - 911 Emergency Services Fund for Providing Emergency Services</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
TOTAL ESTIMATED NET EFFECT TO LOCAL FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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 any county or St. Louis City to levy a tax for enhanced 911 services, if approved by the voters. The governing body must choose between two methods of tax assessment: (1) an extension of the wire line tax for 911 services to wireless services at the same rate; or (2) a flat tax of 50 cents 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. 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.

Grants will only be given to counties and St. Louis City if they pass the tax; however, the county or city must match at least 25% of the grant with local funds. The county or city cannot receive grants for more than three years in a row. Grants cannot be in excess of 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 emergency telephone services. The proposal also authorizes the State Auditor to perform audits to ensure moneys are being used in this manner.

DESCRIPTION (continued)

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.

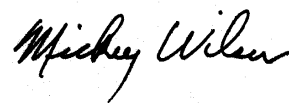
Most provisions of the current statewide enhanced 911 tax are repealed by the bill.

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



Mickey Wilson, CPA

LR No. 3512-01
Bill No. HB 1199
Page 7 of 7
March 16, 2004

Director
March 16, 2004

KJS:LR:OD (12/02)