

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6899

BILL NUMBER: HB 1212

NOTE PREPARED: Jan 4, 2010

BILL AMENDED:

SUBJECT: Uniform Statewide Prepaid Wireless E911 Fee.

FIRST AUTHOR: Rep. Goodin

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires a seller of prepaid wireless telecommunications service to collect at the point of sale an enhanced prepaid wireless charge in an amount determined by the Wireless Enhanced 911 Advisory Board. It requires the seller to remit the charge to the Department of State Revenue for deposit in the Wireless Emergency Telephone System Fund.

Effective Date: July 1, 2010.

Explanation of State Expenditures: *Wireless Enhanced 911 Advisory Board:* This bill requires the Board to determine the amount of an enhanced prepaid wireless charge that sellers of prepaid wireless telecommunications services should collect at the point of sale. The charge cannot exceed one-half of the monthly Wireless Emergency Enhanced 911 Fee.

Department of State Revenue (DOR): Sellers of prepaid telecommunications services must remit the charges obtained at the point of sale to the DOR. Also, the bill provides that the sellers will be subject to the same audit and appeal procedures concerning collection and remittance of charges as with collection and remittance of state Sales Tax. The bill's provisions will increase expenditures for the DOR, but they should be offset by the provision that allows the DOR to retain no more than 2% of collected charges in order to reimburse the direct costs incurred through collection and remittance of the charges.

Explanation of State Revenues: *Wireless Emergency Telephone System Fund:* The charges collected at the point of sale will be deposited in the Wireless Emergency Telephone System Fund by the DOR. The sellers may retain 3% of the charges from consumers, and the DOR may retain at least 2% of collected charges to offset the costs of collection and remittance. The amount of revenue that will be collected is indeterminable.

Background Information - The current fee assessed for the wireless emergency enhanced 911 fee is \$0.50 per phone per month. Revenues received from this fee for FY 2005 through FY 2009 are provided in the table below. After the Board recovers their administrative costs, the remaining revenue is distributed on a monthly basis to each county containing one or more eligible public safety answering points (PSAPs). A county must use the distribution to make distributions to PSAPs that accept wireless enhanced 911 service, for the actual costs incurred by the PSAPs in complying with the wireless enhanced 911 requirements established by the FCC order and rules. Any amount of revenue that remains must be distributed equally between escrow accounts for reimbursement to commercial mobile radio service (CMRS) providers, PSAPS, and the Board.

Fiscal Year	Revenue
2005	\$24.1 M
2006	\$30.5 M
2007	\$32.2 M
2008	\$24.7 M
2009	\$27.4 M

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Wireless Enhanced 911 Advisory Board; DOR.

Local Agencies Affected:

Information Sources: Ken Lowden, Indiana Enhanced Wireless 911 Board, 317-234-2507.

Fiscal Analyst: Jessica Harmon, 317-232-9854.