

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-1362/2</b>	<b>Introduction Number</b> <b>AB-61</b>
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**Subject**  
 Funding for emergency 911 telephone services

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input checked="" type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	<b>5. Types of Local Government Units Affected</b> <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.155(3)	

<b>Agency/Prepared By</b> DOR/ Blair Kruger (608) 266-1310	<b>Authorized Signature</b> Dennis Collier (608) 266-5773	<b>Date</b> 3/6/2003
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## Fiscal Estimate Narratives

DOR 3/6/2003

LRB Number	<b>03-1362/2</b>	Introduction Number	<b>AB-61</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Funding for emergency 911 telephone services					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, a county may adopt a plan to provide 911 emergency services and impose a monthly surcharge on each telephone line to recover the cost of providing those services. The monthly surcharges, ranging up to \$0.64 per month, are exempt from sales tax.

Under AB 61, the Public Service Commission (PSC) would require each wireless provider to impose a uniform monthly surcharge on wireless telephone users to fund provision of E911 (enhanced 911) emergency services. E911 emergency services differ from current 911 emergency services in that they indicate the location from which a wireless telephone user is calling to report an emergency. Under the bill, the E911 surcharges would be paid to the PSC for deposit into a new segregated fund, the Wireless 911 Fund, from which the PSC would award grants to wireless providers, municipalities and counties to recover certain costs of providing E911 emergency services. The monthly surcharge would take effect 9 months after the effective date of the bill and would sunset 3 years later. The surcharges would be exempt from sales tax.

According to the Federal Communications Commission, there were 2,008,679 mobile telephone subscribers in Wisconsin in June 2001; thus, the mobile penetration rate is about 37% of the state's population. Assuming Wisconsin's mobile penetration rate increases to the current national average of about 45% by FY05, there would be about 2,472,000 mobile telephone subscribers in FY05. Since the surcharge would not take effect until 9 months after the effective date of the bill, which likely would be in late FY04, the full year fiscal effect of the bill is estimated for FY05.

The monthly surcharges in the 40 states that have enacted laws similar to AB 61 range up to \$1.20 per month and the median surcharge is \$0.58 per month. Assuming a monthly surcharge of \$0.58 for E911 service and the number of wireless telephone users increases as indicated above, AB 61 would generate total surcharges of about \$17.3 million in FY05. Since these revenues would be exempt from sales tax under the bill, about \$865,000 in sales taxes would be foregone. In summary, since the bill creates a surcharge that is exempt from sales tax, the bill has no effect on sales tax collections relative to current collections.

To the extent the PSC awards grants to municipalities and counties under the bill, revenues of those units of local government would increase. A reliable estimate of the amount that might be awarded to units of local government under the bill is not feasible.

County, baseball park and football stadium district sales taxes were 7.268% of state sales taxes in FY02. Assuming local sales taxes remain 7.268% of state sales taxes, about \$63,000 in local sales taxes would be foregone under the bill. Similar to state sales taxes, the bill would not affect local sales taxes.

Administrative costs of the bill to the Department would be minimal and would be absorbed.

### Long-Range Fiscal Implications