

joint service with other local governments, may be obtained through the levy of any special tax, license, or fee not in conflict with the Constitution or statutes of this state. The special tax, license, or fee may include a subscriber charge for 911 emergency service that shall be levied on an individual exchange line basis, limited to a maximum of 25 exchange lines per account per government entity.

Section 2 amends KRS 65.760 to permit the levy of any special tax, license, or fee (not in conflict with the Constitution or statutes of the state) on CMRS service connections, telematics service connections, and VoIP service connections. All revenues shall be kept in a separate fund and spent only on 911 emergency service and for the salaries of personnel who spend at least 95% of their time either administering or providing 911 emergency service.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The fiscal impact of HB 214 on local governments is expected to be positive, ranging from moderate to substantial.

According to the Kentucky League of Cities (KLC), in FY 2014, 911 emergency services were funded by local governments as follows: 41% (\$32,310,000) from General Funds, 36% (\$28,127,000) from Landlines, and 23% (\$18,499,000) from Wireless. Local governments had to spend the \$32,310,000, because they were not obtaining enough revenue from Wireless. There were 4,041,000 mobile wireless subscribers and 1,599,000 landlines. Nonetheless, Wireless provided 23% of the funding for 911 emergency services while Landlines provided 36%. KLC believes that the trend of ever less Wireless funding has continued. Therefore, if HB 214 does not gain passage, there will be even less funding from Wireless. Local government General Funds will have to cover the shortfall which will run to tens of millions of dollars each year.

HB 214 expands permitted fees on wireless to include a subscriber charge for the following service connections: Commercial Mobile Radio Service, Telematics, and VoIP. **KLC states that passage of HB 214 would likely have a moderate to significant positive fiscal impact on local governments. It is quite possible that local governments would save over \$32,000,000 each year in General Fund expenditures that could be redirected to other uses. The Kentucky Association of Counties states that passage of HB 214 would likely have a substantial positive impact on local governments.**

It should be noted that current law permits local governments to fund 911 emergency services through the levy of any special tax, license, or fee not in conflict with the Kentucky Constitution or the state's statutes. The Kentucky Supreme Court ruled in Greater Cincinnati/Northern Kentucky Apartment Association, et al v. Campbell County Fiscal Court (2015 Ky. Lexis 1946) that Campbell County could fund its 911 emergency service through a \$45 annual fee levied upon each occupied individual residential and commercial unit within Campbell County (page 1).

Data Source(s): Kentucky League of Cities; Kentucky Association of Counties; Kentucky Supreme Court

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