

HB 559 abolishes the monthly service charge. As of January 2018, there are 164,061 wireless Lifeline subscribers. The annual potential impact to certified 911 call centers, known as Public Safety Answering Points (PSAPs) is calculated as follows:

Subscribers:	164,061
Monthly Fee:	<u>X .70 cents</u>
Gross Monthly Fees Collected:	\$114,842.70
1.5% retained by provider for administrative cost:	\$1,722.64
Net Monthly Fee:	113,120.06
	<u>X 12 months</u>
Annual Impact:	\$1,357,440.72

The revenue generated by this monthly service charge is used to support Kentucky's 117 PSAPs, especially rural PSAPs that rely heavily on 911 Services Board funding to maintain emergency response services to their communities.

The loss of this funding will be a significant burden to local governments that maintain PSAPs and could result in a reduction in the level and quality of 911 response. Local governments could make up this lost revenue by the levy of a special tax collected at the local government level, a fee on landline subscribers in order to keep the service viable, or from the local governments' general fund.

Emergency Clause: This Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II pertains to the bill as introduced. No prior versions of the bill have been introduced necessitating Part III to be completed at this time.

Data Source(s): LRC Staff; Office of Homeland Security

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 3/7/18