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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 445  
134<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 445's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. Carfagna and K. Smith

**Local Impact Statement Procedure Required:** No

Tom Wert, Senior Budget Analyst

### Highlights

- The Department of Administrative Services (DAS) could incur expenses up to \$10.3 million per year to develop and maintain a statewide next generation (NG) 9-1-1 core services system. New costs could be at least, and likely fully offset by, NG 9-1-1 access fees assessed to users of devices capable of making 9-1-1 calls.
- Counties may incur costs of several hundreds of thousands of dollars to bring county 9-1-1 systems into compliance with NG 9-1-1 standards. Costs could be at least, and likely fully offset by, the statewide NG 9-1-1 access fee and 9-1-1 fees assessed directly by counties.

### Detailed Analysis

#### Overview

The bill requires implementation of next generation (NG) 9-1-1 technology that will result in significant new costs for the state and counties. NG 9-1-1 is a system comprised of hardware, software, data, and operational policies and procedures to process all types of emergency calls including non-voice (e.g., text or multi-media messages), acquire and integrate additional data useful to call routing and handling, and deliver the calls, messages, and data to the appropriate public safety answering point (PSAP). Counties may incur costs totaling a few hundred thousand dollars to upgrade and maintain hardware and software to comply with NG 9-1-1 standards. The Department of Administrative Services (DAS) will also incur new costs that may reach slightly more than \$10.0 million per year to develop and implement statewide NG 9-1-1 core services. Additionally, counties and DAS may incur other administrative costs to comply with reporting requirements or to restructure operating procedures under the bill. These administrative costs would likely be minimal at most. Any new costs would be at least partially, and possibly fully

offset by 9-1-1 fees imposed on landlines, wireless phones, and other devices capable of making 9-1-1 calls under the bill.

Due to the far reaching nature of the bill, this fiscal note focuses only on those provisions with significant effects on costs and revenue for counties and the state. A discussion of these provisions is provided under the headings below. Details on all changes made by the bill can be found in the LSC bill analysis.

## **NG 9-1-1 core services**

The bill requires the Ohio 9-1-1 Program Office, within DAS, to coordinate and manage a statewide NG 9-1-1 core services system that will result in new expenditures from the Next Generation 9-1-1 Fund (Fund 7093). According to DAS, costs to implement the core services would total not more than \$103.0 million over ten years (\$10.3 million per year). These costs would be at least partially, and likely fully offset by, a 25¢ NG 9-1-1 access fee assessed under the bill. A study by the Ohio Statewide Emergency Services Internet-Protocol Network Steering Committee (Steering Committee) estimates that NG 9-1-1 access fees will generate approximately \$25.5 million of revenue per year for Fund 7093. Under the bill, Fund 7093 would receive 50% of the fees collected. Under current law, Fund 7093 receives any money left over in the 9-1-1 Administrative Fund (Fund 5MY0) after paying administrative costs of the Steering Committee. A more thorough discussion of the NG 9-1-1 access fee is provided under the “**9-1-1 access fee**” heading on the following page.

NG 9-1-1 core services consists of a system whereby 9-1-1 calls from around the state are routed to a centralized processing center to automatically attach data such as a call’s originating location or other useful information. Calls are then automatically forwarded to the proper PSAP for dispatching of emergency response services.

## **County 9-1-1 systems**

The bill requires county 9-1-1 systems to be compliant with NG 9-1-1 standards within five years of the bill’s effective date. To become compliant, PSAPs would need computer networks hardware, and software capable of operating within the state’s core services environment. Implementation of NG 9-1-1 compliance will vary from county to county due to various stages of readiness, compatibility of current equipment with NG 9-1-1 standards, and other factors. Because of this, it is difficult to precisely estimate how much NG 9-1-1 transition will cost counties or other political subdivisions that operate PSAPs. It is likely, however, that costs to implement NG 9-1-1 on the county level will be more than minimal and may be several hundreds of thousands of dollars.

Under the bill, any costs incurred by counties for NG 9-1-1 compliance would likely be offset by the state’s NG 9-1-1 access fee and by 9-1-1 fees imposed by the counties directly. Specifically, the bill directs 47% of the state’s NG 9-1-1 access fee to the 9-1-1 Government Assistance Fund (Fund 7094). Revenue deposited to Fund 7094 is disbursed monthly to counties and may be used to pay costs to operate and maintain 9-1-1 services. Disbursements are based on the proportion of funds disbursed to each county in the same month of the previous calendar year. Additionally, the bill expands a county’s authority to impose a monthly fee of up to 50¢ per landline by allowing the fee to be applied to any device, including wireless and Voice over Internet Protocol (VoIP) devices, capable of making a 9-1-1 call, rather than just landlines as under current law. Under continuing

law, fees collected directly by counties may be used for the development and operation of 9-1-1 services.

### 9-1-1 access fee

The bill eliminates the 25¢ monthly wireless 9-1-1 charge imposed on each wireless telephone number of a subscriber whose billing address is in the state. Instead, the bill imposes a monthly NG 9-1-1 access fee of 25¢ for each subscribed device capable of making a 9-1-1 call, including landlines and VoIP devices. For prepaid wireless services, the bill imposes the same 0.005% of the retail sale price under the NG 9-1-1 access fee as is applicable under current law. The bill also redirects fee revenue collected as shown in the table below.

Distribution of 9-1-1 Related Fees Under the Bill Compared to Current Law			
Fund Name and Deposit % Under H.B. 445, As Introduced		Fund Name and Deposit % Under Current Law	
Fund Name	% of Charges and Fees to be Deposited in Fund	Fund Name	% of Charges to be Deposited in Fund
9-1-1 Government Assistance Fund (Fund 7094)	47%	Wireless 9-1-1 Government Assistance Fund (Fund 7094)	97%
9-1-1 Administrative Fund (Fund 5BP0)	1%	Wireless 9-1-1 Administrative Fund (Fund 5BP0)	1%
9-1-1 Program Fund (Fund 5NM0)	2%	Wireless 9-1-1 Program Fund (Fund 5NM0)	2%
NG 9-1-1 Fund (Fund 7093)	50%, plus interest earned on the 9-1-1 Administrative Fund and, at the direction of the Steering Committee, any excess remaining in the 9-1-1 Government Assistance Fund after paying administrative costs	NG 9-1-1 Fund (Fund 7093)	Interest earned on the 9-1-1 Administrative Fund and, at the discretion of the Steering Committee, any excess remaining in the 9-1-1 Government Assistance Fund after paying administrative costs

After two years, the bill allows the Steering Committee to designate an alternate fee amount annually for five years. The Steering Committee may increase the fee amount so long as the new amount is not more than 2¢ greater than the previous year and so long as the fee does not exceed 30¢. After the five-year adjustment period ends, the bill returns the fee to 25¢.

Expansion of the NG 9-1-1 fee to include landlines and other devices capable of making 9-1-1 calls is expected to increase the amount of revenue collected significantly. Under current law, the wireless 9-1-1 charge has collected approximately \$25.0 million per year on average over the past five years. Under the bill, revenue collected by the NG 9-1-1 access fee could top \$51.0 million per year.