

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 1, 2021

TO: Honorable James White, Chair, House Committee on Homeland Security & Public Safety

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2911 by White (Relating to Next Generation 9-1-1 service and certain wireless service provider administrative expense reimbursements and increasing a fee cap.), **As Introduced**

As the amount and timing of future rate increases is unknown the revenue impact of the bill cannot be estimated; however, the revenue increase could offset any negative fiscal impact from the increase in retained fees of one percent by wireless service providers.

This bill would amend the Health and Safety Code to restructure and increase the existing 9-1-1 Wireless Emergency Service Fee. The bill would impose this fee in an amount set by Commission on State Emergency Communications (CSEC) on all wireless telecommunications connections that have a place of primary use within the area of a regional planning commission (RPC).

The bill would require emergency communication districts (ECDs) not participating in the state 9-1-1 system to also impose a fee in an amount set by the ECD on all wireless telecommunications connections that have a place of primary use within that district.

This bill would allow the CSEC and ECDs to increase the 9-1-1 Wireless Emergency Service Fee from the current rate of 50 cents to either 75 cents, one dollar, or \$1.25. These fees could be adjusted every odd-numbered year.

The bill would require wireless service providers to file a monthly report with the Comptroller of Public Accounts (CPA) of the number of wireless connections within each RPC or ECD. The CPA would be required to maintain and provide a list with this information quarterly. The bill would increase allowable fees that wireless service providers could retain from one percent to two percent. The bill would repeal a requirement that CSEC and ECDs reimburse wireless service providers for expenses related to providing 9-1-1 service.

According to the CPA, as the amount and timing of future rate increases is unknown the revenue impact of the bill cannot be estimated; however, the revenue increase could offset any negative fiscal impact from the increase in retained fees of one percent by wireless service providers.

CSEC has indicated it would adopt a higher rate effective January 1, 2022, the earliest date allowed by the bill, and that rate increase would affect 4.3 million subscribers. According to CSEC, should the rate be set at \$1.00 on January 1, 2022 the estimated revenue increase for the eight remaining months of fiscal year 2022 would be \$16.9 million and \$25.3 million for fiscal year 2023.

According to the CPA, upgrading existing systems to comply with the provisions of the bill would require 5,590 hours of programming at a cost of \$838,500 in fiscal year 2022.

According to the Department of Public Safety, no fiscal impact to the agency is anticipated.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be

subject to funds consolidation review by the current Legislature.

Local Government Impact

According to the CPA, as the amount and timing of future rate increases is unknown the revenue impact of the bill on local units of government cannot be estimated.

According to CSEC, as the bill authorizes 56 ECDs to set individual wireless service fee rates the Commission is unable to estimate the local impact of the bill.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 477 Comm/Emer Communicat

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