

BILL SUMMARY

1st Session of the 59th Legislature

Bill No.:	HB1590
Version:	PCS1
Request Number:	5720
Author:	Rep. Grego
Date:	2/17/2023
Impact:	See analysis below

Research Analysis

The proposed committee substitute to HB 1590, raises the monthly 9-1-1 telephone fee from 75 cents to \$1.25 for all services with the ability to dial 9-1-1 including landlines, beginning November 1, 2023. The measure also raises the amount of 9-1-1 telephone fees that are deposited into the Oklahoma 9-1-1 Management Authority Revolving Fund from 5 cents to 25 cents. Proceeds from the increase in fees will be used to fund Next Generation 9-1-1 technology statewide.

The distribution of revenue from 9-1-1 fees has also been modified. Eligible governing bodies are to be given a flat rate of \$3,000 per month per Public Safety Answering Point (PSAP). Of the remaining revenue, 10 percent will be distributed based on response area and 90 percent will be distributed based on population.

The measure also modifies other requirements related to emergency telephone services, which includes:

- Reducing the amount of the 9-1-1 telephone fee that wireless service providers, VoIP providers, and the Tax Commission are allowed to keep from 1 percent to 0.8 percent;
- Requiring all emergency telecommunicators to complete 40 hours of a 9-1-1 emergency telecommunicator training course and telecommunicator CPR before July 1, 2024. New hires will have six months to complete telecommunicator training. The Oklahoma 9-1-1 Management Authority is also required to create and maintain a list of 9-1-1 emergency telecommunicator training programs that include instruction for basic call handling and dispatch services and is at least 40 hours;
- Shifting five voting members of the Oklahoma 9-1-1 Management Authority to nonvoting members. These members represent local exchange telecommunications service providers, Tier I and III wireless carriers, and the telephone industry;
- Allowing the Authority to enter into contracts for equipment and services, to be reimbursed for travel expenses, and requiring the Authority to submit to the Tax Commission the coverage area of the PSAP in square miles for the purpose of distributing fees;
- Prohibiting the establishment of a new PSAP after July 1, 2024 unless its established in consolidation with an existing PSAP or a replacement of an existing PSAP; and
- Repealing [Title 63 Section 2814](#) and [2815](#), which relate to the authority to operate emergency telephone services and to collect fees.

Prepared By: Keana Swadley

Fiscal Analysis

This measure makes numerous changes relating to the Oklahoma 9-1-1 Management Authority that have an impact on state budget and appropriations:

The following analysis of HB1590 has been provided by the Oklahoma Tax Commission:

From: Marc Morrison
Tax Policy Analyst

Subject: HB 1590 PCS

This is in response to your request for a revenue impact for the Proposed Committee Substitute for HB 1590. Revenue estimates for the sections of the measure administered by the Tax Commission are set forth as follows:

Sections 7, 8, & 9.

Proposes to increase the current 9-1-1 telephone fees on each wireless telephone device or connection, VOIP and prepaid wireless from \$0.75 to \$1.25. It also expands the base of the fee imposed on VOIP to include each service with the ability to dial 9-1-1 for emergency calls including landline. It increases the apportionment to the Oklahoma 9-1-1 Management Authority Revolving Fund from \$0.05 collected from each of these fees to \$0.25. The measure eliminates the 3% vendor retention related to prepaid 9-1-1 fees, reduces vendor retention for the remaining fees from 1% to .08%, and reduces the Oklahoma Tax Commission reimbursement percentage for prepaid wireless 911 fees from 1% to .08%. The OTC reimbursement percentage of 1% remains the same for the remaining fees.

Based upon Tax Commission records, 9-1-1 fees totaled \$37,355,380 in FY 22. [\$7,584,769 in prepaid wireless fee connections and \$29,770,611 in wireless and VOIP connections] OTC retained \$378,890 from the existing fee of \$0.75. Increasing the current \$0.75 fees to \$1.25, accounting for the November 1, 2023 effective date and revising, as applicable, the OTC reimbursement amounts as indicated above results in the following estimates:

An increase of \$3,176,545 in prepaid wireless collections for FY 24,
An increase of \$11,576,985 in wireless & VOIP collections for FY 24, and
An increase of \$88,875 in OTC reimbursement fees.

An increase of \$5,445,506 in prepaid wireless collections for FY 25,
An increase of \$19,846,260 in wireless & VOIP collections for FY 25, and
An increase of \$152,357 in OTC reimbursement fees.

The measure will also increase the current \$.05 from each fee to be deposited into the Oklahoma 9-1-1 Management Authority Revolving Fund to \$0.25, resulting in the following:

An increase of \$5,893,844 in deposits to the Oklahoma 9-1-1 Management Authority Revolving Fund for FY 24 along with an increase of \$10,103,732 in deposits to the Oklahoma 9-1-1 Management Authority Revolving Fund for FY 25.

The measure will also make landline telecommunication connections subject to the \$1.25 monthly fee for each service with the ability to dial 9-1-1 for emergency calls. The number of landlines in Oklahoma as defined in the measure is unknown. However, pursuant to 63 O.S. § 2418, a \$0.05 monthly surcharge is levied on each local exchange telephone access line which is deposited into the Telecommunications for the Deaf and Hard-of-Hearing Revolving Fund. In FY 22, a total of \$318,427 in the described fees were collected. By dividing \$318,427 by \$0.05 yields an estimated 6,368,540 lines from which the surcharge is collected over a 12 month time frame. Dividing by 12 results in an estimated 530,712 landlines that will be subject to the \$1.25, 9-1-1 fee, resulting in an estimated increase of \$663,390 in 9-1-1 fees associated with landlines. Calculated with an effective date of November 1, 2023 and assuming similar transactions for FY 24 and FY 25 results in estimated increases outlined as follows:

An estimated increase of \$386,977 in 9-1-1 fees for FY 24
 An estimated increase of \$663,390 in 9-1-1 fees for FY 25

An estimated increase of \$77,395 (530,712 X \$0.25 / 12 months x 7 months) deposited into the Oklahoma 9-1-1 Management Authority Revolving Fund for FY 24 along with an estimated increase of \$132,678 in deposits to the Oklahoma 9-1-1 Management Authority Revolving Fund for FY 25. (530,712 X \$0.25).

Comments and Concerns

On Page 30-31, Subsection (K) contains the old language for apportionment only by population, and retains the language concerning the use of the Federal Decennial Census estimates. This cannot be used since users are only counted in the Public Safety Answering Point "PSAP" areas and OTC has to use their PSAP counts and totals. Since Page 22 shows the new distribution to be used for all wireless, only one distribution method can be used

Furthermore, the following analysis was provided by the Department of Public Safety:

Cell phone service lines:	2010
Current Monthly Cost for 9-1-1:	\$0.75
Total Monthly Cost for 9-1-1	\$1,507.50
If HB1590 passes, it will increase the surcharge for 9-1-1 from \$0.75 per line to \$1.25 per line	
Cell phone service lines:	2010
Proposed Monthly Cost for 9-1-1:	\$1.25
Total Monthly Cost for 9-1-1	\$2,512.50
Increased Monthly cost to DPS:	\$1,005.00
Increased Annual cost to DPS	\$12,060.00

The passage of HB1590 would result in an increased annual cost of \$12,060 to DPS.

Other Considerations

None.

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