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- The position of Ohio 9-1-1 Coordinator is established in the Public Utilities Commission of Ohio (PUCO). The Chairperson of PUCO will determine the amount of compensation for the position, with that compensation to be paid out of the Wireless 9-1-1 Administrative Fund. This fund is also used to pay PUCO expenses related to the duties of the Ohio 9-1-1 Coordinator. Total annual expenses anticipated by PUCO officials to fund the activities of the Coordinator are approximately \$375,000 per year. Start-up costs associated with the new position are estimated to be \$275,000. Expenditures shown in the table assume that personnel are hired in July 2005. There is no appropriation in the bill for these costs.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2005	FY 2006	FUTURE YEARS
Counties (Wireless 9-1-1 Government Assistance Fund)			
Revenues	Gain up to \$6.0 million	Gain up to \$18.0 million	Gain up to \$18.0 million until 12/31/08, then zero gain
Expenditures	Increase up to \$6.0 million	Increase up to \$18.0 million	Increase up to \$18.0 million until 12/31/08, then zero increase
Counties and municipalities			
Revenues	Potential minimal gain	Potential minimal gain	Potential minimal gain
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The Wireless 9-1-1 Government Assistance Fund, a new fund in the custody of the Treasurer of State, will receive most of the revenue generated by the \$0.32 Wireless 9-1-1 Charge imposed by the bill. A county's share of the fund will be in the same proportion as the number of wireless service subscribers with billing addresses in that county to the number of wireless service subscribers statewide, with a minimum share of \$25,000. Counties that have not adopted a final 9-1-1 plan for wireless enhanced service will have their share held by the fund for up to three years; if that county has not adopted a final plan after three years, its share is divided among the other counties. This fund's share of revenues from the Wireless 9-1-1 Charge is projected to be up to \$18.0 million per year. Revenues shown assume the Charge is imposed beginning July 2005 and the fund receives its first receipts in September 2005.
- The revenues to the Wireless 9-1-1 Government Assistance Fund are determined by the amount of the Wireless 9-1-1 Charge, which is initially set at \$0.32 per month per subscriber telephone number. The revenues to the fund may be either more or less than are needed to reimburse eligible expenses. If revenues are less than eligible expenses for the fund, local governments would be required to wait to receive reimbursement of expenses, while if revenues exceed eligible expenses, the fund balance would increase. The amount of the Wireless 9-1-1 Charge may be changed by a future action of the General Assembly in order to achieve a balance between revenues and expenditures. The Charge is imposed until December 31, 2008, after which it will lapse.
- The bill establishes new misdemeanor and felony offenses and permits people who receive an unsolicited advertisement through a facsimile device located at a residential premise to bring a civil action from which they may recover \$1,000 from the sender of the advertisement. These provisions may result in a slight increase in caseload

for county courts of common pleas and for municipal courts. To the extent that caseload increases there would be an accompanying increase in revenue from filing fees and an accompanying increase in administrative costs. LSC staff believe any increase in caseload would be minimal.

Detailed Fiscal Analysis

H.B. 361 generally creates a framework for aiding counties and other local governments in providing enhanced emergency 9-1-1 service for federally licensed commercial mobile radio service (primarily cellular telephone service). "Enhanced" emergency 9-1-1 service is a service that automatically provides to the public safety answering point (PSAP), which is the location that receives a 9-1-1 call, the location of the handset from which the call originated and, when feasible, the telephone number of that handset.

The bill establishes the position of Ohio 9-1-1 Coordinator to head the 9-1-1 Service Program within the Public Utilities Commission of Ohio (PUCO). Compensation for the Ohio 9-1-1 Coordinator would be determined by the Chairperson of the PUCO, and would be paid by the newly-created Wireless 9-1-1 Administrative Fund, one of two funds created by the bill. The Wireless 9-1-1 Administrative Fund is created in the State Treasury, while the Wireless 9-1-1 Government Assistance Fund would be under the custody of the Treasurer of State but not be a part of the State Treasury. Both funds receive moneys from a newly established "Wireless 9-1-1 Charge" imposed on each wireless telephone number of a wireless service subscriber. This charge is initially set at \$0.32 per month, and is scheduled to expire on December 31, 2008. The amount of the charge is subject to change by the General Assembly in response to recommendations made by the Ohio 9-1-1 Coordinator. The charge is exempt from state and local taxes. Earnings on the Wireless 9-1-1 Administrative Fund would be credited to the GRF, while the new custodial fund would be credited with earnings on its investments. Both funds would be administered by the Ohio 9-1-1 Coordinator.

The bill provides funding for equipment and training costs of the PSAPs that are attributable to providing wireless 9-1-1 service. Beginning one year after the Wireless 9-1-1 Charge is imposed, a political subdivision may use the funds to pay personnel costs associated with staffing its PSAP if it provides countywide wireless enhanced 9-1-1 service. After receiving its April 2009 disbursement from the fund, a political subdivision may use any remaining disbursements it has received to pay any costs associated with providing wireless 9-1-1 service.

The bill also creates the Ohio 9-1-1 Council, an 11-member body, and the Wireless 9-1-1 Advisory Group, a six-member body, to help establish policies governing the operation of enhanced wireless 9-1-1 service. The bill specifies that appointed members of both bodies serve without compensation and without expense reimbursement, and that neither body is an agency within the meaning of section 101.82 of the Revised Code.

The bill would not make any fundamental changes to the county-based provision of emergency 9-1-1 services, nor would it require local governments to provide enhanced wireless 9-1-1 service.

Background

Emergency 9-1-1 services are not provided on a statewide basis in Ohio. Current law specifies the conditions under which a county may arrange for the provision of emergency 9-1-1 services within that county; the LSC bill analysis provides information about the sources of funding currently available to local governments to provide the service. The service is generally established on a countywide basis, but a number of PSAPs may be operated by different local governments within a single county. For example, about 18 different PSAPs are operated in Franklin County. Enhanced 9-1-1 service for wireline phones is currently available in 82 of Ohio's 88 counties.

Emergency 9-1-1 calls are routed directly to PSAPs, which serve as dispatching points for emergency services of whatever kind is needed. As noted above, "enhanced" 9-1-1 service has the additional benefit that PSAP staff are able immediately to identify the telephone number and location from which a call is being made.

Enhanced 9-1-1 service is technically more difficult for wireless phones because of their mobility. The Federal Communications Commission (FCC) has ordered cellular companies to offer enhanced wireless service in two steps. In Phase I, a wireless phone company would automatically provide the phone number of a 9-1-1 caller, and the location of the base station that is handling the 9-1-1 call, which would narrow down the location of a caller to somewhere within approximately a one mile radius of the tower. In Phase II, the phone company would provide the caller's location within 300 meters of its actual position for at least 95% of calls. The FCC does not dictate the technology to be used to comply with either standard.

State Fiscal Effect

The bill would create several new positions or bodies: the office of Ohio 9-1-1 Coordinator within the PUCO, the Ohio 9-1-1 Council, and the Wireless 9-1-1 Advisory Group. The bill specifies that no compensation or expenses will be paid to appointed members of either the Ohio 9-1-1 Council or the Wireless 9-1-1 Advisory Group. Compensation would be paid to the Ohio 9-1-1 Coordinator, with the amount of compensation set by the Chairperson of the PUCO.

A PUCO official reports that compensation would likely be in the range of \$110,000 per year, including fringe benefits. This official reports anticipated set up costs to carry out the Coordinator's duties at \$275,000, which includes funding for two desktop computers, one laptop computer, and two modular offices (\$21,000) and \$254,000 for IT programming, hardware, and software to track revenues and disbursements related to the Wireless 9-1-1 Charge. Additional staffing needs are projected to cost \$230,000 annually, including fringe benefits. This amount would be for an Administrative Assistant for the Coordinator (\$50,000), and for a share of compensation for one fiscal specialist (\$25,000) and three utilities staff (\$155,000). With an estimate of \$35,000 for maintenance and indirect costs, the total ongoing costs for PUCO are estimated to be \$375,000 annually.

This amount would be paid from the Wireless 9-1-1 Administrative Fund, which the bill creates and establishes in the State Treasury. Funding for this and for the Wireless 9-1-1 Government Assistance Fund would come from the \$0.32 charge imposed on each cellular telephone number.

Wireless service providers are permitted to keep 2% of any revenue they collect from this charge as a billing and collection fee. Up to 4% of the remaining revenue during the first full fiscal year may be deposited into the Wireless 9-1-1 Administrative Fund; in subsequent fiscal years up to 2% of remaining revenue may be deposited into the fund. The actual percentage each year would be determined by the Chairperson of the PUCO subject to the limits imposed by the bill. The Wireless 9-1-1 Government Assistance Fund would receive the remaining revenue and would be administered by the Ohio 9-1-1 Coordinator. After the Wireless 9-1-1 Charge expires on December 31, 2008, revenue to the Wireless 9-1-1 Administrative Fund will end, meaning that a new source of funding for the activities of the Ohio 9-1-1 Coordinator will need to be found. The bill does not specify a funding source after that date.

The amount of revenue likely to be raised by the \$0.32 charge is uncertain, as LSC is unaware of any published information about the number of cellular subscribers in Ohio. Information gleaned from various corporate quarterly reports indicates that six of the largest cellular companies¹ had a combined 124.98 million subscribers nationally as of September 30, 2003. If cellular subscribers are distributed across states in the same ratio as fixed telephone lines, then Ohio subscribers would represent approximately 3.91% of the number of subscribers nationally. This percentage also approximates Ohio's share of the national population. If so, there would be approximately 4.89 million cellular subscribers in Ohio, which works out to approximately one cellular subscriber per household. Since the bill does not distinguish between household accounts and business accounts, the estimate of 4.89 million subscribers in Ohio may be reasonable. Thus the \$0.32 charge may raise up to a total of \$18.8 million per year (\$18.76 million = 4.89 million X \$0.32 X 12). That total would represent up to \$375,000 for cellular companies (as billing and collection fees), up to \$368,000 for the Wireless 9-1-1 Administrative Fund, and up to \$18.0 million for the Wireless 9-1-1 Government Assistance Fund after the initial year; these amounts would be slightly different in the initial fiscal year due both to the reduction in the share going to the Wireless 9-1-1 Administrative Fund and to the fact that the first fiscal year would be a partial year. Revenues could increase in the future as wireless subscribers increase.

The revenues to both funds are determined by the amount of the Wireless 9-1-1 Charge. The revenues to either of the funds may be either more or less than are needed to reimburse eligible expenses. If revenues are less than eligible expenses for the custodial fund, local governments would be required to wait to receive reimbursement of expenses, while if revenues exceed eligible expenses, the fund balance would increase. The amount of the Wireless 9-1-1 Charge may be changed by a future action of the General Assembly in order to achieve a balance between revenues and expenditures. Because the Charge expires after December 31, 2008, revenues to both funds will be a portion of the estimated amount in FY 2009, and will be zero in FY 2010 and subsequent fiscal years.

Local Fiscal Effects

The bill does not impose a requirement on local governments to provide enhanced 9-1-1 service, on either a wireline or wireless basis. It does provide a funding source, through the new Wireless 9-1-1 Government Assistance Fund, to provide such service. This fund receives most of the revenue generated by the Wireless 9-1-1 Charge; LSC staff estimate that the fund will receive approximately \$18.0 million per year until the Charge expires on December 31, 2008. The bill provides

¹ The six companies included in this total are Verizon, Cingular, Sprint PCS, AT&T Wireless, Nextel, and T-Mobile.

no source of funding to local governments for providing enhanced wireless 9-1-1 service after the Charge expires.

Revenues to the new fund are to be sent to the Treasurer of State, who disburses the county shares to county treasurers based on the allocation provided in the bill and calculations made by the Ohio 9-1-1 Coordinator. Disbursements to counties are to be made monthly. Each county receives a share based on the proportion of the number of wireless service subscribers whose billing address is located in the county to the number of subscribers whose billing address is located in Ohio. Each county receives a minimum share of \$25,000. Each county treasurer is to disburse the funds received to local governments in the county in accordance with the allocation formula found in the county's final 9-1-1 plan.

A county receives its share only if it has adopted a final 9-1-1 plan for wireless enhanced 9-1-1 service. If it has not adopted such a plan, the fund holds its allocation for up to three years. After three years, if the county has still not adopted such a plan, its share is distributed to those counties that have adopted such plans.

A PUCO official estimates that the cost to upgrade the equipment at one PSAP to provide the Phase I level of enhanced wireless 9-1-1 service would be \$250,000. The cost to upgrade further to the Phase II level of service would be in addition to that, but would be less than \$250,000 additional.

The bill establishes new misdemeanor and felony offenses and permits people who receive an unsolicited advertisement through a facsimile device located at a residential premise to bring a civil action from which they may recover \$1,000 from the sender of the advertisement. These provisions may result in a slight increase in caseload for county courts of common pleas and for municipal courts. To the extent that caseload increases there would be an accompanying increase in revenue from filing fees and an accompanying increase in administrative costs. LSC staff believe that any increase in caseload would be minimal.

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