

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 424
Finance

(Senators Kagan and Jennings)

Emergency Number Systems Board - 9-1-1 Trust Fund - Planning Costs

This bill authorizes the Emergency Number Systems Board (ENSB) to use the 9-1-1 Trust Fund to pay for planning costs for an enhanced 9-1-1 system, including next generation 9-1-1 services.

The bill takes effect July 1, 2016. It applies prospectively only and may not be applied or interpreted to have any effect on or application to any planning costs for enhanced 9-1-1 system plans incurred before its effective date.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances. According to the Department of Public Safety and Correctional Services (DPSCS), the bill likely has minimal impact on how funds are spent. DPSCS can implement the bill's changes with existing resources.

Local Effect: The bill is not anticipated to significantly affect local operations or finances. Although the bill expands the statutory uses of the fund, the overall amount of funding provided to counties is not anticipated to be materially affected. However, to the extent the bill results in additional funds being used for planning purposes, grants to counties for 9-1-1 enhancements decrease.

Small Business Effect: None.

Analysis

Current Law: “Enhanced 9-1-1 system” means a 9-1-1 system that provides (1) automatic number identification; (2) automatic location identification; and (3) any other technological advancements that ENSB requires.

The 9-1-1 Trust Fund is administered by DPSCS and includes revenue from three funding sources and investment earnings of the fund. The first funding source is the State “9-1-1 fee,” which is set at \$0.25 per subscriber per month. The second is the county “additional charge” in an amount determined by each county, through local ordinance, up to a maximum of \$0.75 per bill per month. All counties and Baltimore City currently have passed local ordinances establishing the additional charge at \$0.75. Telephone companies, wireless carriers, and other 9-1-1 accessible service providers collect and remit both portions of the 9-1-1 surcharge to the Comptroller, monthly, for deposit into the fund. The third funding source is the surcharge fee added to the sales of prepaid wireless service (\$0.60 per transaction), collected at the point of sale.

Annually, the Secretary of Public Safety and Correctional Services requests a budget appropriation from the fund in an amount sufficient to carry out the statutory purposes of the fund, pay administrative costs, and reimburse counties for the cost of enhancing each county’s 9-1-1 system. Through this process, the fund is distributed to counties at the discretion of ENSB in response to county 9-1-1 system enhancement requests. The county “additional charge” and the county portion of the prepaid wireless fee remittances are distributed quarterly to each county in prorated amounts according to the level of fees collected in each jurisdiction.

The allowable uses of all 9-1-1 related funds collected are set by statute. Money collected from the State fee and 25% of all collected prepaid wireless fees may be used to reimburse counties for the cost of enhancing the 9-1-1 system through payment to a third-party contractor. Money distributed quarterly to the counties from the collection of the county “additional charge” and the remaining 75% of all collected prepaid wireless fees may be spent on the installation, enhancement, maintenance, and operation of a county or multi-county 9-1-1 system. Maintenance and operation costs may include telephone company charges, equipment costs, equipment lease charges, repairs, utilities, personnel costs, and appropriate carryover costs from previous years.

ENSB was established by Chapter 730 of 1979. It coordinates installation and enhancement of county 9-1-1 emergency telephone number services systems. ENSB issues guidelines and determines review procedures to approve or disapprove county plans for these systems and sets criteria for reimbursing counties from the original fund and from ongoing funds, and provides for audit of trust fund accounts. ENSB also provides guidance on equipment standards and assistance on training of 9-1-1 personnel.

Background: Federal legislation enacted in 2008 prohibits states from receiving any federal 9-1-1-related grant funding if 9-1-1 fee revenues were used for purposes other than those defined as an eligible expense in State and federal law.

Based on information reported to the Federal Communications Commission, the State spent approximately \$12 million on next-generation 9-1-1 service enhancements in 2014. The Governor's proposed fiscal 2017 budget assumes special fund revenues and expenditures for the 9-1-1 Trust Fund of \$56.8 million.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Carroll, Harford, Montgomery, Queen Anne's, and St. Mary's counties; Maryland Association of Counties; Department of Public Safety and Correctional Services; Maryland Institute for Emergency Medical Services Systems; Department of State Police; Department of Legislative Services

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