



**OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note**

Fiscal Note On: **HB 805** HLS 16RS 972  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 21, 2016 10:53 AM	<b>Author:</b> BROADWATER
<b>Dept./Agy.:</b> Communication Districts	
<b>Subject:</b> 911 Emergency Telephone Service Charges	<b>Analyst:</b> Robbie Robinson

DISTRICTS/COMMUNICATIONS RE +\$14,300,000 LF RV See Note  
 Provides relative to communication districts

**Purpose of the Bill:** This bill increases the maximum amount of service charges on wireless communication devices from eighty-five cents to one dollar and twenty-five cents per month or the rate the communication district is authorized to levy on August 1, 2016. The bill provides that if a communication district levies an emergency telephone service charge, tax, charge, surcharge or fee on August 1, 2016, then the communication district is not required to adopt a new ordinance or resolution except to change the rate. In addition, communication districts are no longer required to submit annual reports on the revenue derived from the service charge or the status of the implementation of the wireless E911 service to the Legislative Auditor. The bill provides that revenues collected are to be used for the sole purpose of providing 911 emergency response services and operations and prohibits use for other purposes.

<b>EXPENDITURES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$13,000,000</u>	<u>\$14,300,000</u>	<u>\$14,300,000</u>	<u>\$14,300,000</u>	<u>\$14,300,000</u>	<b>\$70,200,000</b>
<b>Annual Total</b>	<b>\$13,000,000</b>	<b>\$14,300,000</b>	<b>\$14,300,000</b>	<b>\$14,300,000</b>	<b>\$14,300,000</b>	<b>\$70,200,000</b>

**EXPENDITURE EXPLANATION**

**This measure may result in an increase in local government expenditures.**

This bill provides funding for communication districts to field a new generation of 911 emergency call services that have been outlined by the Federal Communications Commission. New capabilities are intended to enhance the accessibility of 911 to the public and provide Public Service Access Providers with enhanced information for responding to emergencies more quickly and effectively. Implementation costs of the technological requirements and costs of emergency system enhancements are indeterminable at this time.

There will be no impact on expenditures relating to the change in annual reporting to the Legislative Auditor.

**REVENUE EXPLANATION**

**This measure will increase revenues of local government communication districts, except in Jefferson and St. Bernard Parishes.**

This bill increases the maximum amount of service charge from \$.85 per month per wireless connection to \$1.25 per month per wireless connection or the rate the communication district is authorized to levy on August 1, 2016, whichever is higher. Jefferson and St. Bernard Parishes currently charge \$1.26 per month, while Caddo Parish charges \$1.00 per month, as authorized by law.

**Assumptions:**

--Maximum \$.40 increase for 2,919,000 wireless customers in Louisiana. This is composed of 3,400,000 estimated statewide customers, excluding prepaid wireless customers, adjusted by 326,000 estimated customers in Jefferson and St. Bernard Parishes, and an estimated 155,000 customers in Caddo Parish. Caddo Parish increase will be limited to \$.25 per wireless customer.

--Estimated increase will become effective August 1, 2016 and be reduced by a 1% service provider collection fee.

--Estimated revenue from increase of \$.40 for 2,919,000 customers and \$.25 for 155,000 customers in Caddo Parish will result in a \$13,137,151 increase in fiscal year 2016-2017 (11 months) and a \$14,331,438 in fiscal year 2017-2018 and thereafter.

Senate Dual Referral Rules House

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| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}                  | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

**Michael G. Battle**  
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