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# COUNTY ADVISORY BULLETIN

**CAB**

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**BULLETIN 2000-06**

**OCTOBER 2000**

## **HOUSE BILL 152 AUTHORIZES ADDITIONAL 9-1-1 TELEPHONE SURCHARGE FOR SELECTED COUNTIES**

**Effective Date:** September 21, 2000.

**Revised Code Sections Affected:** 4931.40, 4931.44, 4931.49, 4931.50, 4931.53

**Lead Sponsor:** Logan (D-Lisbon)

**House Co-Sponsors:** Krupinski (D-Stuebenville)

**Senate Co-Sponsors:** Blessing (R-Cincinnati), Drake (R-Solon), Mumper (R-Marion), Herington (D-Kent), McLin (D-Dayton), DiDonato (D-New Philadelphia), Carnes (R-St. Clairsville), Hagan (D-Youngstown), Kearns (R-Springfield), Schafrath (R-Loudonville).

### **OVERVIEW**

HB 152, effective September 21, 2000, permits certain counties that have not implemented a 911 emergency telephone system to impose up to a 50 cent charge on telephone access lines to fund the operating and equipment costs of establishing and maintaining no more than one public safety point (PSAP) of a countywide 911 system. The new law also permits the PSAP of another countywide 911 system to serve as the PSAP for a countywide 911 system funded through a monthly charge imposed under this new law.

The telephone charge permitted by the enactment of HB 152 is separate from and in addition to a similar telephone charge authorized by legislation which took effect in 1994 (HB 344, effective June 1, 1994). Both laws were sponsored by Representative Sean Logan (D-Lisbon) to assist counties with financing a countywide 911 system.

This bulletin summarizes the existing funding options for 911 and the provisions of HB 152. This bulletin does not summarize the procedures for implementing 911. A detailed description of the procedure for adoption of a countywide 911 emergency telephone system can be found in Chapter 105 of the County Commissioners Handbook.

## **EXISTING FUNDING OPTIONS FOR 9-1-1**

Existing law provides five options for funding all or part of the local costs of establishing and maintaining a 911 system. The first four options are available generally to all counties. The fifth option is available only to a select group of counties that meet certain conditions. These funding options include the following:

### **1. ALLOCATION OF COSTS AMONG POLITICAL SUBDIVISIONS IN THE COUNTY**

The law requires the 911 plan to allocate all the local costs associated with establishing, equipping, furnishing, operating, and maintaining each PSAP to the political subdivisions served by each PSAP. The plan must include an allocation formula by which the costs are computed and assigned to each political subdivision for payment. The allocation formula within the plan must be approved according to a statutory procedure left unchanged by this latest law. Political subdivisions have used general fund money as well as the funding options listed in this bulletin to fund PSAPs.

### **2. REAL PROPERTY TAX LEVY**

Political subdivisions, including counties, may seek voter approval of a property tax levy to fund the establishment and operation of a 911 system ( Section 5705.19(BB)).

### **3. SPECIAL ASSESSMENT ON IMPROVED REAL PROPERTY**

A county may fund the costs of establishing, equipping, furnishing, operating and maintaining PSAPs through a special assessment on improved real property within the county (Section 4931.51);

### **4. SALES AND USE TAX**

A county may fund the costs of implementing and operating PSAPs through a 1/4 or 1/2 of one percent county sales and use tax. This voter approved tax may not be levied for more than five years at a time unless 911 funding is combined with one or more of eight other eligible uses available under the additional county sales tax law ( Section 5739.026 (A) (6)).

### **5. 50¢ TELEPHONE CHARGE FOR SELECTED COUNTIES THAT DO NOT HAVE 9-1-1 FOR EQUIPMENT COSTS FOR NOT MORE THAN THREE PSAP's**

A county that has failed to approve its 9-1-1 plan or that has approved its 9-1-1 plan but has failed to put the plan in operation because of a lack of funding, and has had at least one ballot issue (property tax, special assessment, or county sales tax) to fund 9-1-1 defeated, may fund the necessary equipment costs of establishing and maintaining not more than three PSAPs for a countywide 9-1-1 system, through a monthly charge, not exceeding 50 cents on each residential and business access line in the county. The board of county commissioners may adopt a resolution imposing the charge subject to voter approval after providing public notice twice in a newspaper of general circulation in the county and holding two public hearings on the proposed charge. The monthly charge is billed and collected through each telephone company serving the 9-1-1 system, and the company is permitted to retain 3% of any charge it collects as compensation for the cost of

collection ( Sections 4931.52 and 4931.53).

The funding options described here exist to assist counties and other political subdivisions in financing the local costs of 9-1-1. The telephone industry also incurs certain non-recurring costs associated with purchasing the equipment to provide the service. These costs are largely recovered by the telephone company through a public utility excise tax credit. The tax credit was established in 1985 when the original 9-1-1 law was enacted and is intended to eliminate non-recurring costs to the telephone industry through what amounts to a state subsidy of these costs.

In addition, business and residential telephone customers pay for the recurring costs associated with the network portion of the 9-1-1 system. The amount of this charge is included in the customers phone bill and is paid by customers on the basis of number of access lines. These charges are approved by the Public Utilities Commission of Ohio, and are subject to periodic review.

### **COUNTIES ELIGIBLE TO USE THE NEW TELEPHONE CHARGE**

Counties that have 9-1-1 in operation now may not use the telephone charge authorized by HB 152 to pay for 9-1-1. The monthly charge may only be used by a county that has a final plan for a countywide 9-1-1 system that either has not been approved in the county according to the statutory approval process or has been approved but has not been put into operation because of a lack of funding. This effectively limits the use of this charge to the following nine counties: 1) Carroll; 2) Columbiana; 3) Harrison; 4)Meigs; 5)Monroe; 6)Morgan; 7)Noble; 8)Vinton; and 9) Washington..

### **AMOUNT AND PURPOSES OF MONTHLY CHARGES**

The law permits certain boards of county commissioners, by resolution, to impose a monthly charge on telephone access lines. The monthly charge is subject to voter approval. The law limits the amount of the charge to be no more than 50 cents per month. The county commissioners may change the amount of the charge no more frequently than once a year. The county commissioners also may not increase the amount of the charge to an amount greater than the amount approved by the voters without submitting the question of the higher amount to the voters.

The revenue derived from the charge may “be used only for the necessary operating and equipment costs of establishing and maintaining no more than one public safety answering point of a countywide 9-1-1 system.” This means for the first time that a telephone charge may be used to pay for the operation of a PSAP in addition to establishing and equipping a PSAP. A 1994 law discussed earlier in this bulletin permitted a similar telephone charge to be used solely for equipment costs of establishing and maintaining three PSAPs. Unfortunately by limiting the amount of the charge to 50 cents, the law may still be limited in its usefulness because the counties the bill is intended to assist have a limited number of access lines from which to generate revenue. The amount of revenue necessary to establish and operate one PSAP in a rural county exceeds the amount that is likely to be generated by a 50 cent charge on all access lines.

## **CONTENTS OF COMMISSIONERS' RESOLUTION**

The commissioners' resolution must contain the following information:

1. The amount of the monthly charge, not to exceed 50 cents per month.
2. The month the charge will first be imposed, but in no case less than four months after the issue is approved by the voters.
3. The resolution must direct the board of elections to submit the question of imposing the charge to the electors at the next primary or general election in the county.

## **ENACTMENT PROCEDURE**

In order to impose a charge on all telephone access lines within the county, the board of county commissioners must perform the following procedure:

1. The board of county commissioners must hold at least two public hearings on the proposed monthly charge.
2. Before the first hearing, the county commissioners must publish notice of the hearings once a week for two consecutive weeks in a newspaper of general circulation in the county.
3. The notice must indicate the amount of the proposed charge, an explanation of the necessity for the charge, and the date, time, and location of each hearing.
4. After the hearings the county commissioners must adopt a resolution and certify a copy to the board of elections not less than seventy five days before the day of the special election. The special election is held on the date of the next primary or general election in the county.
5. The monthly charge becomes effective only if it is approved by a majority of the voters.

## **CREATION OF A SPECIAL REVENUE FUND**

Money raised by a monthly charge on telephone access lines must be deposited in a special revenue fund. County commissioners must follow the procedures specified in Section 5705.12 to create a special revenue fund. The fund may be used only for the necessary operating and equipment costs of establishing and maintaining one PSAP of a countywide 9-1-1 system. The law permits county commissioners to seek advice from the Public Utilities Commission of Ohio with regard to operating and maintaining a 9-1-1 system.

## **CONTRACT WITH ANOTHER COUNTYWIDE 9-1-1 SYSTEM FOR PSAP**

A last minute amendment to the legislation effectively allowed for the provision of 9-1-1

services in a county through the PSAP located in another county. Specifically, the PSAP of one countywide 9-1-1 system may serve as the PSAP of another countywide system when one or both of the countywide systems derives its revenue from a monthly charge imposed under this law.

The law authorizes an agreement between two countywide 9-1-1 systems to allow payments from a countywide 9-1-1 system funded with a telephone charge to the other system that has the PSAP. This provision provides that the nature of the agreement would be included in an amended 9-1-1 plan of two or more counties. The law also provides that the county for which the public safety answering point is provided shall be deemed to be the political subdivision operating the PSAP except that the political subdivision is only obligated to provide that portion of the cost of operating the PSAP as is actually agreed to by the systems and therefore attributable to the respective county costs of operating each system.

## **SUMMARY**

While HB 152 only applies to the nine counties that have not currently implemented a 9-1-1 system, the law does, for the first time, authorize the use of telephone charges for 9-1-1 operational costs. Unlike the fifth funding option explained in this CAB, under current law, the new 50¢ charge authorized under HB 152 is available only to those counties that do not now have 9-1-1 and only in situations where there will be only one PSAP serving the county. While the restrictions in both the amount of the charge and the conditions related to the number of PSAP's are not ideal, the new law could serve as a precedent to later expand the use of the charge to apply to all counties. CCAO continues to support enhanced enabling authority for all counties to use a 9-1-1 charge on phone bills to fund all aspects of providing needed 9-1-1 services to residents, and feels this funding approach is the fairest method to provide the lifesaving service.