



[SF 538](#) – 911 Service Charges (LSB1996SV)
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Fiscal Note Version – New

Description

[Senate File 538](#) relates to 911 emergency telephone services, and makes several changes to the determination of how funds deposited in the 911 Service Fund may be distributed, the payment of costs associated with providing 911 services, and access to the Next Generation 911 Network.

The Bill eliminates 911 cost recovery by telephone providers by excluding costs that are associated with reimbursement to an originating service provider from incurred costs that may be paid for with funds deposited in the 911 Service Fund. The Bill also strikes the requirement that the 911 Program Manager allocate 10.0% of the total amount of generated wireless surcharge to wireless carriers in order to recover costs resulting from the delivery of E911 Phase 1 services.

Senate File 538 also removes the requirement that a local exchange service provider be compensated for providing certain kinds of information related to its subscribers and provides that these service providers pay all costs associated with recurring monthly 911 services.

Background

Under current law, funds deposited in the 911 Service Fund must be used for the payment of costs that are limited to nonrecurring and recurring costs directly attributable to the receipt and disposition of wireless and wireline 911 calls. Additionally, current law provides that local exchange service providers are to be compensated for providing certain information to the Next Generation 911 Network.

Assumptions

- Wireline calls represent approximately 20.0% of all 911 calls annually.
- Wireline cost recovery fees are not regulated or reported in the same manner as wireless calls. Utilizing the extrapolation of sample costs, the Department of Homeland Security and Emergency Management (HSEMD) estimates that in FY 2020, telephone providers recovered approximately \$3.3 million in costs for providing wireline 911 services. For estimating purposes, it is assumed that these costs will remain relatively constant in subsequent fiscal years.
- Wireless calls represent approximately 80.0% of all 911 calls annually. In FY 2020, telephone providers recovered approximately \$825,000 in costs for providing wireless 911 services. For estimating purposes, it is assumed that these costs will remain relatively constant in subsequent fiscal years.

Fiscal Impact

Senate File 538 eliminates the ability of telephone providers to recover costs related to providing 911 services on wireline and wireless calls. According to the HSEMD, eliminating the ability of telephone providers to recover costs related to 911 service on wireless calls would allow the Department to save approximately \$825,000 annually beginning FY 2022. Additionally, the Department estimates that eliminating the ability of telephone providers to recover costs related to 911 services on wireline calls would result in cost savings of approximately \$3.3 million annually in FY 2022. Total estimated savings related to both wireline and wireless calls is approximately \$4.1 million.

Sources

Department of Homeland Security and Emergency Management
LSA analysis

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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