

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on January 24, 2000 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Lynne Holt, Legislative Research Department
Jerry Ann Donaldson, Legislative Research Department
Bob Nugent, Revisor of Statutes
Betty Bomar, Secretary

Conferees appearing before the committee:
Cindy Lash, Division of Post Audit

Others attending: See attached list

Cindy Lash, Division of Post Audit briefed the Committee on its audit "*Reviewing the 911 Emergency Phone Systems in Kansas, Part 8: Identifying the Current Status*", (a copy is on file in the Legislative Research Department or at <http://skyways.lib.ks.us/ksleg/PAUD/homepage.html>).

Ms. Lash stated the request for the Audit resulted from a bill introduced during the 1999 Session to extend the 911 tax to cellular phones. Post Audit conducted an inventory of what the current status of the 911 system is in Kansas and found that Kansas law gives cities and counties the authority to provide 911 service and to levy a tax to pay for that service of up to 75¢ per month for each telephone line that is hard-wired into a business or residence. There are three types of 911 systems in Kansas: 1) Enhanced 911- displays the caller's name, address, and telephone number on a computer screen; 2) Identification 911- displays only the caller's telephone number; and 3) Basic 911- provides no information about the caller. Ms. Lash stated typically each Kansas county has one answering point that provides countywide coverage; however, 15 counties have multiple answering points with varying ranges of coverage.

Ms. Lash stated the Audit considered four issues:

- 1) The availability of service: 67 counties provide Enhanced 911 service; 20 counties have identification 911 service; 5 counties provide basic 911 service, 8 counties provide a mixed service; and 5 counties have no 911 service.
- 2) Percentage of 911 emergency calls received from cellular phones: 23 counties attribute more than 25% of their 911 calls to cellular phones; 28 counties attribute from 10-25% to cellular; 41 counties attribute less than 10% to cellular. However, these are estimates because counties do not have the equipment to report actual numbers.
- 3) 911 funding: 68 counties assess a monthly fee of 75¢ for 911 service; 16 counties assess between 16¢ - 70¢; 9 counties assess no fee for the service; and 3 counties do not assess a fee nor provide the 911 service.
- 4) Year 2000 compliance: there were no problems in any counties at the end of the year.

Ms. Lash informed the Committee that most counties levy the maximum allowable 911 tax. A total of \$9.7 million in 911 taxes were collected statewide in calendar year 1998. 86 counties had a carry over balance of \$9.1 million. The counties report the reserves were to purchase and update equipment.

Ms. Lash briefed the Committee on "*Reviewing the 911 Emergency Phone Systems in Kansas, Part II: Federal Mandates and Organizational Structure*" (a copy is on file in the Legislative Research Department or at <http://skyways.lib.ks.us/ksleg/PAUD/homepage.html>). Ms. Lash stated the FCC in 1994 issued regulations requiring wireless phone companies, under certain conditions, to provide enhanced 911 phone services for wireless phone users. The regulations set up a two-phase process for implementation: Phase I requires that within 6 months after being asked to do so, a wireless phone company must be able to transmit the phone number of the wireless phone and the location of the cell tower that received the phone's signal to a 911 answering point. Phase II requires that unless a waiver is granted from the FCC, a wireless phone company must be able to transmit the location of the person making a 911 call on a wireless phone, by latitude and longitude, within 125 meters of the caller's actual location, to an answering point by October 1, 2001. Ms. Lash reported that Phase I of the Regulation has not been implemented anywhere in Kansas as no answering point has asked the wireless phone industry to

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provide Enhanced 911 services; the technology for 20 digit information required is not available; and no cost recovery system has been put in place specifically for reimbursing wireless phone companies for the costs they will incur in developing and providing enhanced 911 service for wireless phone calls.

The industry reports indicate that options for implementing Phase I could have different costs for each 911 answering point, local phone company and wireless phone company. The projected cost for implementation of Phase I, according to the State of Washington, would be \$16.3 million, and Phase II is estimated to be \$50.7 million.

The Audit recommendation is that a task force be formed to study and develop comprehensive wireless 911 legislation that would cover a cost recovery mechanism, guidelines for cost reimbursement, and the possibility of a state-level oversight body for implementation.

Committee members raised questions as to whether an additional tax is warranted or whether the market should be the one to drive the technology.

Ms. Lash stated Kansas' current 911 structure places control of the program with local units of government without any central oversight or an advisory body. This structure may result in inefficiencies and higher costs, which could increase as localities attempt to meet the FCC's requirements for providing Enhanced 911 services for wireless phone users. A 1998 audit of the Texas statewide 911 system found that inefficiencies in organizational structure and operations cost taxpayers an estimated \$30 million annually.

The Audit identified several types of situations that could present opportunities for cost savings through sharing or consolidation agreements, such as: the 5 Kansas counties without 911 service might be able to acquire that service at a fraction of the equipment cost by combining dispatch operations with an adjacent county that already has 911 service; avoid duplication of the purchase of equipment and acquisition of more sophisticated equipment by sharing costs and consolidation between a city and a county; by sharing equipment costs across county lines. Consolidation studies predict cost savings of 5% to 12%.

Senator Steffes moved, seconded by Senator Ranson, that a bill requested by Terry Leatherman, KCCI, abrogating city living wage ordinances be introduced as a Committee bill. The vote was in favor of the motion.

Upon motion by Senator Feleciano, seconded by Senator Barone, the Minutes of January 20 and 21, 2000, were unanimously approved.

The meeting was adjourned at 9:00 a.m.

The next meeting is scheduled for January 25, 2000.