
SUBSTITUTE HOUSE BILL 1126 - CORRECTED COPY

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Finance (originally sponsored by Representatives Mastin, Sump, Boldt, Doumit, Hatfield, McMorris, Kessler, Sheahan, Sheldon, Mulliken, Grant, Chandler, O'Brien, Conway, Wood, Cooper, Murray and Morris)

Read first time 03/10/97.

1 AN ACT Relating to the implementation of the enhanced 911 excise
2 tax study recommendations regarding 911 emergency communications system
3 funding; amending RCW 82.14B.030 and 38.52.540; creating a new section;
4 providing an effective date; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

7 (a) The state enhanced 911 excise tax imposed at the current rate
8 of twenty cents per switched access line per month generates adequate
9 tax revenues to enhance the 911 telephone system for switched access
10 lines state-wide by December 31, 1998, as mandated in RCW 38.52.510;

11 (b) The tax revenues generated from the state enhanced 911 excise
12 tax when the tax rate decreases to a maximum of ten cents per switched
13 access line on January 1, 1999, will not be adequate to fund the
14 long-term operation and equipment replacement costs for the enhanced
15 911 telephone systems in the counties or multicounty regions that
16 receive financial assistance from the state enhanced 911 office;

17 (c) Some counties or multicounty regions will need financial
18 assistance from the state enhanced 911 office to implement and maintain
19 enhanced 911 for radio access lines because the tax revenue generated

1 from the county enhanced 911 excise tax on radio access lines is not
2 adequate;

3 (d) Some counties or multicounty regions currently incur costs due
4 to enhanced 911 calls from radio access lines that are not eligible for
5 funding under chapter 365-300 WAC;

6 (e) The tax revenues generated when the state enhanced 911 excise
7 tax rate drops to a maximum of ten cents per switched access line on
8 January 1, 1999, will not be adequate to implement and maintain
9 enhanced 911 for radio access lines in counties or multicounty regions
10 that require financial assistance from the state;

11 (f) The state does not impose the state enhanced 911 excise tax on
12 radio access lines;

13 (g) Counties should not request state financial assistance for
14 implementation and maintenance of enhanced 911 for switched access
15 lines or radio access lines unless the county has imposed the maximum
16 enhanced 911 tax authorized in RCW 82.14B.030; and

17 (h) Counties or multicounty regions that provide 911 service
18 through intergovernmental agencies may not be eligible for county or
19 city risk pools and must purchase insurance on an individual basis.
20 Insurance costs are increasing for these counties. Insurance costs
21 could be reduced if county 911 centers were granted immunity from civil
22 liability except for an act or omission constituting gross negligence
23 or wanton or willful misconduct.

24 (2) The intent of this act is to acknowledge the recommendations
25 contained in the report the legislature dated July 1, 1995, entitled
26 "Enhanced 911 Excise Taxes" to insure long-term funding of the enhanced
27 911 emergency telephone systems.

28 **Sec. 2.** RCW 82.14B.030 and 1994 c 96 s 3 are each amended to read
29 as follows:

30 (1) The legislative authority of a county may impose a county
31 enhanced 911 excise tax on the use of switched access lines in an
32 amount not exceeding fifty cents per month for each switched access
33 line. The amount of tax shall be uniform for each switched access
34 line. Each county shall provide notice of such tax to all local
35 exchange companies serving in the county at least sixty days in advance
36 of the date on which the first payment is due.

37 (2) The legislative authority of a county may also impose a county
38 911 excise tax on the use of radio access lines located within the

1 county in an amount not exceeding twenty-five cents per month for each
2 radio access line. The amount of tax shall be uniform for each radio
3 access line. The county shall provide notice of such tax to all radio
4 communications service companies serving in the county at least sixty
5 days in advance of the date on which the first payment is due. Any
6 county imposing this tax shall include in its ordinance a refund
7 mechanism whereby the amount of any tax ordered to be refunded by the
8 judgment of a court of record, or as a result of the resolution of any
9 appeal therefrom, shall be refunded to the radio communications service
10 company or local exchange company that collected the tax, and those
11 companies shall reimburse the users who paid the tax. The ordinance
12 shall further provide that to the extent the users who paid the tax
13 cannot be identified or located, the tax paid by those users shall be
14 returned to the county.

15 (3) (~~Beginning January 1, 1992,~~) A state enhanced 911 excise tax
16 is imposed on the use of all switched access lines and all radio access
17 lines in the state. ((For 1992, the tax shall be set at a rate of
18 twenty cents per month for each switched access line.)) Until December
19 31, (~~1998~~) 2000, the amount of tax shall not exceed twenty cents per
20 month for each switched access line or radio access line, and
21 thereafter shall not exceed ten cents per month for each switched
22 access line or radio access line. The tax shall be uniform for each
23 switched access line or radio access line. The tax imposed under this
24 subsection shall be remitted to the state treasurer by local exchange
25 companies and radio communications service companies on a tax return
26 provided by the military department within thirty days after the end of
27 the month in which the tax was collected. A local exchange company
28 that serves less than two percent of the access lines in the state of
29 Washington may remit the tax to the state treasurer thirty days after
30 the last day of the calendar quarter in which the tax was due to the
31 local exchange company. Tax proceeds shall be deposited by the
32 treasurer in the enhanced 911 account created in RCW 38.52.540.

33 (4) By August 31st of each year the state enhanced 911 coordinator
34 shall recommend the level for the next year of the state enhanced 911
35 excise tax, based on a systematic cost and revenue analysis, to the
36 utilities and transportation commission. The commission shall by the
37 following October 31st determine the level of the state enhanced 911
38 excise tax on switched access lines for the following year. The state

1 enhanced 911 excise tax rate on radio access lines shall be the same as
2 the state enhanced 911 excise tax rate on switched access lines.

3 **Sec. 3.** RCW 38.52.540 and 1994 c 96 s 7 are each amended to read
4 as follows:

5 The enhanced 911 account is created in the state treasury. All
6 receipts from the state enhanced 911 excise tax imposed by RCW
7 82.14B.030 shall be deposited into the account. Moneys in the account
8 shall be used only to help implement and operate enhanced 911 state-
9 wide(~~(, and to conduct a study of the tax base and rate for the 911~~
10 ~~excise tax)~~). All receipts from the state enhanced 911 excise tax on
11 radio access lines imposed by RCW 82.14B.030 shall be used to fund
12 planning and implementation of enhanced 911 for radio access lines, and
13 to assist counties or multicounty regions that need additional
14 resources to cover unfunded costs that can be shown to result from
15 handling 911 calls from radio access line callers, until automatic
16 location identification is operational for radio access line
17 subscribers throughout Washington state. However, funds shall not be
18 distributed to any county that has not imposed the maximum county
19 enhanced 911 taxes allowed under RCW 82.14B.030 (1) and (2). The state
20 enhanced 911 coordinator, with the advice and assistance of the
21 enhanced 911 advisory committee, shall specify by rule the purposes for
22 which moneys may be expended from this account.

23 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
24 preservation of the public peace, health, or safety, or support of the
25 state government and its existing public institutions, and takes effect
26 July 1, 1997.

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