

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 2601**

Chapter 96, Laws of 1994

53rd Legislature  
1994 Regular Session

911 EXCISE TAX--LOCAL AUTHORITY TO IMPOSE ON RADIO ACCESS LINES

EFFECTIVE DATE: 3/23/94 - Except Section 5 which takes effect on  
1/1/95

Passed by the House February 14, 1994  
Yeas 79 Nays 17

BRIAN EBERSOLE

**Speaker of the  
House of Representatives**

Passed by the Senate March 7, 1994  
Yeas 40 Nays 1

JOEL PRITCHARD

**President of the Senate**

Approved March 23, 1994

MIKE LOWRY

**Governor of the State of Washington**

CERTIFICATE

I, Marilyn Showalter, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2601** as passed by the House of Representatives and the Senate on the dates hereon set forth.

MARILYN SHOWALTER

**Chief Clerk**

FILED

March 23, 1994 - 9:57 a.m.

**Secretary of State  
State of Washington**

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HOUSE BILL 2601

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Passed Legislature - 1994 Regular Session

State of Washington                      53rd Legislature                      1994 Regular Session

By Representatives Finkbeiner, Brumsickle, Bray, Wang and Scott

Read first time 01/19/94. Referred to Committee on Revenue.

1            AN ACT Relating to the implementation of the cellular  
2 communications tax study recommendations regarding 911 emergency  
3 communication system funding; amending RCW 82.14B.020, 82.14B.030,  
4 82.14B.040, and 38.52.540; adding a new section to chapter 38.52 RCW;  
5 creating new sections; providing an effective date; and declaring an  
6 emergency.

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

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

9            (a) Emergency services communication systems, including enhanced  
10 911 telephone systems, are currently funded with revenues from state  
11 and local excise taxes imposed on the use of switched access lines;

12            (b) Users of cellular communication systems and other similar  
13 wireless telecommunications systems do not use switched access lines  
14 and are not currently subject to these excise taxes; and

15            (c) The volume of 911 calls by users of cellular communications  
16 systems and other similar wireless telecommunications systems has  
17 increased in recent years.

18            (2) The intent of this act is to acknowledge the recommendations  
19 regarding 911 emergency communication system funding as detailed in the

1 report to the legislature dated November 1993, entitled "Taxation of  
2 Cellular Communications in Washington State," to authorize imposition  
3 and collection of the twenty-five cent county tax discussed in chapter  
4 6 of that report, and to require the department of revenue to continue  
5 the study of such funding as detailed in the report.

6 **Sec. 2.** RCW 82.14B.020 and 1991 c 54 s 10 are each amended to read  
7 as follows:

8 As used in this chapter:

9 (1) "Emergency services communication system" means a multicounty,  
10 county-wide, or district-wide radio or landline communications network,  
11 including an enhanced 911 telephone system, which provides rapid public  
12 access for coordinated dispatching of services, personnel, equipment,  
13 and facilities for police, fire, medical, or other emergency services.

14 (2) "Enhanced 911 telephone system" means a public telephone system  
15 consisting of a network, data base, and on-premises equipment that is  
16 accessed by dialing 911 and that enables reporting police, fire,  
17 medical, or other emergency situations to a public safety answering  
18 point. The system includes the capability to selectively route  
19 incoming 911 calls to the appropriate public safety answering point  
20 that operates in a defined 911 service area and the capability to  
21 automatically display the name, address, and telephone number of  
22 incoming 911 calls at the appropriate public safety answering point.

23 (3) "Switched access line" means the telephone service line which  
24 connects a subscriber's main telephone(s) or equivalent main  
25 telephone(s) to the local exchange company's switching office.

26 (4) "Local exchange company" has the meaning ascribed to it in RCW  
27 80.04.010.

28 (5) "Radio access line" means the telephone number assigned to or  
29 used by an end user for two-way local wireless voice service available  
30 to the public for hire from a radio communications service company.  
31 Radio access lines include, but are not limited to, radio-telephone  
32 communications lines used in cellular telephone service, personal  
33 communications services, and network radio access lines, or their  
34 functional and competitive equivalent. Radio access lines do not  
35 include lines that provide access to one-way signalling service, such  
36 as paging service, or to communications channels suitable only for data  
37 transmission, or to nonlocal radio access line service, such as  
38 wireless roaming service, or to a private telecommunications system.

1       (6) "Radio communications service company" has the meaning ascribed  
2 to it in RCW 80.04.010.

3       (7) "Private telecommunications system" has the meaning ascribed to  
4 it in RCW 80.04.010.

5       **Sec. 3.** RCW 82.14B.030 and 1991 c 54 s 11 are each amended to read  
6 as follows:

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

14       (2) The legislative authority of a county may also impose a county  
15 911 excise tax on the use of radio access lines located within the  
16 county in an amount not exceeding twenty-five cents per month for each  
17 radio access line. The amount of tax shall be uniform for each radio  
18 access line. The county shall provide notice of such tax to all radio  
19 communications service companies serving in the county at least sixty  
20 days in advance of the date on which the first payment is due. Any  
21 county imposing this tax shall include in its ordinance a refund  
22 mechanism whereby the amount of any tax ordered to be refunded by the  
23 judgment of a court of record, or as a result of the resolution of any  
24 appeal therefrom, shall be refunded to the radio communications service  
25 company or local exchange company that collected the tax, and those  
26 companies shall reimburse the users who paid the tax. The ordinance  
27 shall further provide that to the extent the users who paid the tax  
28 cannot be identified or located, the tax paid by those users shall be  
29 returned to the county.

30       (3) Beginning January 1, 1992, a state enhanced 911 excise tax is  
31 imposed on all switched access lines in the state. For 1992, the tax  
32 shall be set at a rate of twenty cents per month for each switched  
33 access line. Until December 31, 1998, the amount of tax shall not  
34 exceed twenty cents per month for each switched access line and  
35 thereafter shall not exceed ten cents per month for each switched  
36 access line. The tax shall be uniform for each switched access line.  
37 Tax proceeds shall be deposited by the treasurer in the enhanced 911  
38 account created in RCW 38.52.540.

1       (~~(3)~~) (4) By August 31st of each year the state enhanced 911  
2 coordinator shall recommend the level for the next year of the state  
3 enhanced 911 excise tax to the utilities and transportation commission.  
4 The commission shall by the following October 31st determine the level  
5 of the state enhanced 911 excise tax for the following year.

6       **Sec. 4.** RCW 82.14B.040 and 1991 c 54 s 12 are each amended to read  
7 as follows:

8       The state enhanced 911 tax and the county enhanced 911 tax  
9 (~~created in this chapter~~) on switched access lines shall be collected  
10 from the user by the local exchange company providing the switched  
11 access line. The (~~local exchange company shall state~~) county 911 tax  
12 on radio access lines shall be collected from the end user by the radio  
13 communications service company providing the radio access line to the  
14 end user. The amount of the (~~taxes~~) tax shall be stated separately  
15 on the billing statement which is sent to the user.

16       NEW SECTION. **Sec. 5.** A new section is added to chapter 38.52 RCW  
17 to read as follows:

18       Any person as defined in RCW 82.04.030 owning, operating, or  
19 managing any facilities used to provide wireless two-way  
20 telecommunications services for hire, sale, or resale which allow  
21 access to 911 emergency services shall provide a system of automatic  
22 number identification which allows the 911 operator to automatically  
23 identify the number of the caller.

24       NEW SECTION. **Sec. 6.** (1) The department of revenue shall conduct  
25 a study of base and rate for the 911 excise tax. The study shall  
26 address but not be limited to the following questions:

27       (a) What is the current tax base for enhanced 911 excise tax? Who  
28 is included in the current tax base? Who is not included in the  
29 current tax base?

30       (b) What have been and what are projected to be the 911 tax  
31 revenues, expenditures, and funding sources?

32       (c) How are 911 systems funded in other states?

33       (d) What would be an appropriate tax base and tax rate for a 911  
34 tax?

35       (e) What are the fiscal impacts of changing the tax base or tax  
36 rate, or both?

1 (f) Does the proposed tax base cover all current and projected  
2 future technologies?

3 (2) To perform this study, the department of revenue shall form an  
4 advisory study committee with balanced representation which must  
5 include, but need not be limited to, representatives from county  
6 government, representatives of both wireline and wireless  
7 telecommunications companies, large and small businesses that use  
8 wireline and wireless telecommunications services, the department of  
9 community, trade, and economic development, and county 911  
10 coordinators. The committee shall also include two members from the  
11 house of representatives, one from each caucus, appointed by the  
12 speaker of the house of representatives, and two members from the  
13 senate, one from each caucus, appointed by the president of the senate.

14 (3) The department of revenue shall provide staff for the purpose  
15 of the study.

16 (4) The department of revenue shall present a final report of the  
17 findings of the study to the committees of the legislature that deal  
18 with revenue matters no later than July 1, 1995.

19 **Sec. 7.** RCW 38.52.540 and 1991 c 54 s 6 are each amended to read  
20 as follows:

21 The enhanced 911 account is created in the state treasury. All  
22 receipts from the state enhanced 911 excise tax imposed by RCW  
23 82.14B.030 shall be deposited into the account. Moneys in the account  
24 shall be used only to help implement and operate enhanced 911 state-  
25 wide, and to conduct a study of the tax base and rate for the 911  
26 excise tax. The state enhanced 911 coordinator, with the advice and  
27 assistance of the enhanced 911 advisory committee, shall specify by  
28 rule the purposes for which moneys may be expended from this account.

29 NEW SECTION. **Sec. 8.** This act is necessary for the immediate  
30 preservation of the public peace, health, or safety, or support of the  
31 state government and its existing public institutions, and shall take  
32 effect immediately, except section 5 of this act shall take effect  
33 January 1, 1995.

Passed the House February 14, 1994.

Passed the Senate March 7, 1994.

Approved by the Governor March 23, 1994.

Filed in Office of Secretary of State March 23, 1994.