

HB 2449 A -12 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Jaime McGovern, Economist

Meeting Dates: 4/22, 5/23

WHAT THE MEASURE DOES:

Increases taxes for emergency communications to \$1.50 per month or per transaction as appropriate. Reduces limit on amount of reimbursement for administrative costs for Oregon Emergency Management from four percent to two percent, and Department of Revenue from one percent to one-half of one percent. Extends sunset from 2022 to 2030. Specifies that interest earned by the Emergency Communications Account and the 9-1-1 Subaccount must be credited to the 9-1-1 Subaccount.

ISSUES DISCUSSED:

- Currently fee remains un-updated since 1991.
- Call volume has increased.
- Budget and accounting and state local cost burden.
- Agency membership fees combined with local dollars join with state dollars to fund.
- Other bills relating to the phone industry this session.
- Oregon vs national phone tax rankings.
- Text to 911 capabilities cost and implications.
- Integration of software cost and implications.

EFFECT OF AMENDMENT:

-12 Creates a two year phase in for 911 fee increase and adjusts administrative and collection cost caps to Department of Revenue and Office of Emergency Management to have a net zero effect by second year.

BACKGROUND:

The three-digit telephone number 9-1-1 has been designated as the universal emergency number for citizens throughout the United States to request emergency assistance. It traces its origins to 1957, when the National Association of Fire Chiefs recommended usage of a single number for reporting fires; in 1967, the President's Commission on Law Enforcement and Administration of Justice recommended that a single number for reporting emergency situations was preferable to using different numbers for each type of emergency.

The Emergency Communications Tax, commonly referred to as the 9-1-1 Tax in Oregon, is assessed at 75 cents per phone line or per device capable of reaching 9-1-1. The tax is collected quarterly by the Oregon Department of Revenue.