



**STATE OF WASHINGTON
MILITARY DEPARTMENT
EMERGENCY MANAGEMENT DIVISION**

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UTIL. AND TRANSP.
COMMISSION

August 31, 2021

Mr. Mark L. Johnson
Executive Director and Secretary
Washington State Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

**Re: Petition for 2022 E911 State Excise Tax by the Washington Military Department,
Emergency Management Division, State E911 Coordinator's Office**

Dear Mr. Johnson:

Under Revised Code of Washington (RCW) 82.14B.030(9), the Washington State Military Department (WMD)'s, Emergency Management Division (EMD) State Enhanced 9-1-1 (E911) Coordinator, must recommend to the Commission the appropriate level of tax, based on a systematic cost and revenue analysis.

Recommended Excise Tax Rate

The Military Department's Emergency Management Division, State E911 Coordination Office, recommends the state E911 excise taxes on wireless, wireline, prepaid wireless and Voice over Internet Protocol (VoIP) continue at the current rate of twenty-five cents (\$0.25) per month, and per retail transaction in the case of prepaid wireless, in calendar year 2022.

Background

On January 1, 2011, the legislature, through SSB 6846, increased the state E911 tax from \$.20/device/month to \$.25/device/month for wireline and wireless services, as well as VoIP devices. On June 30, 2013, the Governor signed HB1971 into law, requiring prepaid wireless retailers to remit E911 tax at the same level as the other classes of service on each retail transaction beginning January 1, 2014. This is the maximum level set by the legislature and hasn't changed since 2011.

In FY2021 the state collected \$28,168,381¹ in revenue for the State E911 Telephone Tax. This was an increase of approximately \$895,025 over FY2020. We continue to observe slight increases in the revenue for wireless, VOIP and prepaid wireless. There continues to be declines

¹ The June revenue was not available at the time of this letter. This number includes DOR projected revenue for June 2021.

in the revenue for wireline as more people move away from traditional wireline services. These trends are expected to continue for the foreseeable future.

Expense Distribution

The 21-22 Biennium budget authorization for 911 was \$53.834 Million. Per RCW 38.52.545 and WAC 118-66-050, the State E911 Coordination Office expends E911 funds based on the following priorities to the counties:

1. To assure that 911 dialing is operational statewide. The State E911 Coordination Office pays all network and database costs on behalf of those counties which have enacted the maximum local tax allowed under RCW 82.14B.030(1). Service providers bill the State E911 Coordination Office directly for these costs.
2. To assist counties as necessary to assure that they can achieve a basic service level for 911 operations. The State E911 Coordination Office, with advice from the E911 Advisory Committee, has established funding eligibility criteria for Public Safety Answering Point (PSAP) telephone system and basic service costs. These are the first two priority items included in eligible county contracts. To be eligible for state assistance, a county must have spent all its local E911 excise tax revenue on eligible items.
3. To assist counties as practicable to acquire items of a capital nature appropriate to modernize 911 systems and increase 911 effectiveness. The State E911 Coordination Office, with advice from the E911 Advisory Committee, has established funding eligibility for those capital items needed in a PSAP.

Statewide 911 System

The State E911 Coordination Office assures that 911 dialing is operational statewide through a Next Generation 9-1-1 system. This highly reliable, secure, and geographically redundant system of connections and services assures that a citizen's 911 call flows from the originating services provider to the PSAP serving the caller's location. A complete system upgrade based upon the National Emergency Number Association (NENA) i3 standards was completed in July 2020. The core services of the system are capable of supporting multiple media types (text, images, video, etc.) for citizens to use when communicating with 911. The new system incorporates enhanced cyber-security protections, the greatest amount of resilience and redundancy possible, and new policy routing functions. The new policy routing functions allow PSAPs a tremendous amount of flexibility in the routing of 911 calls between PSAPs during emergencies, disasters, and events which limit a PSAP's ability to take an increased number of calls.

County Assistance

For FY2022 the E911 Program Office will continue to use the priority system in WAC 118-66-050 for county assistance. Based on the rules in RCW 38.52 and WAC 118-66, the State E911 Coordination Office and the Policy Subcommittee of the E911 Advisory Committee have updated policies to ensure the WAC provisions are being adhered to, the program budget is sustainable, and at a minimum a baseline level of quality service to our citizens is provided within each county.

The State E911 Coordination Office evaluates County requests for financial assistance for all components of the E911 system through a standardized application process. Counties verify expenses by providing payment documentation. Submission of operational data from each county is a contractual requirement. The State E911 Coordination Office reimburses eligible items ranging from call taker salaries to computer-aided dispatch.

All state and county E911 excise tax revenues are remitted by vendors directly to the Washington State Department of Revenue (DOR), which in turn distributes the appropriate funds to the respective government entities in accordance with RCW 82.14B.

911 Cost Study

Included in the 19-21 Operating Budget was a requirement for the Military Department to complete a study of the 911 system and provide a report to the appropriate legislative committees. The study was completed and as a result, the State 911 Coordination Office along with the Advisory Committee are working towards the following key recommendations from the report to the legislature:

- A. Change the Enhanced 911 account to a non-appropriated account to allow the program to more easily access and utilize funds in this account for intended purposes.
- B. Enhance the governance role of the State 911 Coordination Office to develop statewide standards for the 911 system and provide necessary support to county and local 911 operations while maintaining local operational authority of 911 services.
- C. Expand the use of shared technology platforms between PSAPs, creating economies of scale.
- D. Develop a sustainable funding plan for all elements of emergency communications, including dispatch.
- E. Create certification and reclassification for Public Safety Telecommunicators.

Thank you for the continuing support that the Washington State Utilities and Transportation Commission provides to the State E911 Coordination Office. If you have any questions, please do not hesitate to contact this office at (253) 512-7468.

Sincerely,

Adam Wasserman
Digitally signed by
Adam Wasserman
Date: 2021.08.31
07:56:15 -07'00'

Adam Wasserman
Washington State E911 Coordinator

cc: Rebecca Beaton, Washington State Utilities and Transportation Commission