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

*MS: TA-20 Building 20
Camp Murray, Washington 98430-5122
Phone: (253) 512-7000 • FAX: (253) 512-7200
Website: <http://www.mil.wa.gov>*

August 22, 2024

Mr. Jeff Killip
Executive Director and Secretary
Washington State Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

**Re: Petition for 2025 911 State Excise Tax by the Washington Military Department,
Emergency Management Division, State 911 Coordinator's Office**

Dear Mr. Killip:

Under Revised Code of Washington (RCW) 82.14B.030(9), the Washington State Military Department (WMD)'s, Emergency Management Division (EMD) State 9-1-1 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 911 Coordination Office, recommends the state 911 excise taxes on wireless, wireline, prepaid wireless and interconnected 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 2025.

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 interconnected 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 FY2024 the state collected \$29,459,307¹ in revenue for the State 911 Telephone Tax. This was an increase of approximately \$252,675 over FY2023. We continue to observe slight increases in the revenue for wireless, VOIP and prepaid wireless. There continues to be declines 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 23-25 Biennium budget authorization for 911 is \$54.306 Million. Per RCW 38.52.545 and WAC 118-66-050, the State 911 Coordination Office expends 911 funds based on the following priorities to the counties:

1. To assure that 911 dialing is operational statewide. The State 911 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 911 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 911 Coordination Office, with advice from the 911 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 911 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 911 Coordination Office, with advice from the 911 Advisory Committee, has established funding eligibility for those capital items needed in a PSAP.

Statewide 911 System

The State 911 Coordination Office assures that 911 dialing is operational statewide through a Next Generation 9-1-1 system which includes the Emergency Services IP Network (ESInet) that handles all 911 traffic in Washington State. 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 can support 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 policy routing functions. The policy routing functions allow PSAPs a tremendous amount of flexibility in the routing and delivery 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 FY2024 the State 911 Coordination 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

¹ The June revenue was not available at the time of this letter. This number includes DOR projected revenue for June 2024.

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911 Coordination Office and the Policy Subcommittee of the 911 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 911 Coordination Office evaluates County requests for financial assistance for all components of the 911 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 911 Coordination Office reimburses eligible items ranging from call taker salaries to computer-aided dispatch.

All state and county 911 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.

Thank you for the continuing support that the Washington State Utilities and Transportation Commission provides to the State 911 Coordination Office. If you have any questions, please do not hesitate to contact this office at (253) 512-7468.

Sincerely,



Adam Wasserman
Washington State 911 Coordinator

cc: Rebecca Beaton, Washington State Utilities and Transportation Commission

