



Emergency 911 Surcharge & Business Impact Statement

Board of County Commissioners

April 25, 2023



Outline

- History of the E911 Fund
- Background on the E911 Fund and budget process
 - Prioritization of Expenditures
- Reasons for possible \$0.15 increase to E911 Surcharge
- Goals & Process of Business Impact Statement
- Public/Business participation in Business Impact Statement process & Results
- Next steps
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History of the E911 Fund

- In 1995, the Nevada Legislature authorized counties to impose E911 surcharge and required that county imposing the surcharge establish an advisory committee to plan for the enhancement of 911 dispatch technology.
- The surcharge amount was up to \$0.25 per telephone line or \$2.50 per trunk line. The fund could not have an ending fund balance of more than \$1M.
- Washoe County started collecting 911 Surcharge in 1996.
- The advisory committee hears the specific requests from qualified applicants to determine if it is an eligible use of E911 funds and if there's budget to cover the costs. The committee recommendations are sent to the Board of County Commissioners for final approval.
- 2017- SB176: Created mandate for body worn cameras for certain law enforcement officers. To support the mandate the surcharge minimum was increased to \$1 per telephone line or \$10 per trunk line, and the ending fund balance could not exceed \$5M. The bill also made changes to the individuals on the advisory committee.
- 2019- SB12: Clarified the use of the E911 funds to support the surcharge as well as the permissible uses. A priority of spending was also created.



Background: 911 Fund and Fund Budget Process

- Nevada Revised Statutes (NRS) 244A.7643 authorizes counties to impose a telephone surcharge to enhance the 911 system for reporting emergencies.
 - E911 Surcharge can be up to \$1.00
 - Washoe County's Surcharge is currently \$0.85.
 - Counties imposing a 911 Surcharge must establish and maintain an advisory committee to develop a plan to enhance the 911 system and oversee the expenditure of surcharge monies (NRS 244A 7645).
 - Counties must also adopt and maintain a current E911 Five-Year Master Plan.
 - Washoe County's most recent 5-Year Master Plan update was in 2020.



Background: 911 Fund and Fund Budget Process

- Permissible use E911 Funds includes (listed in order of priority)*:

911 Telephone system
and Fund Admin.

1. Adoption, update, and review of E911 Five-Year Master Plan.
2. Performing an analysis or audit of E911 surcharge remittances collected by telecommunications providers.
3. Paying costs associated with enhancing the E911 telephone system for reporting an emergency.

Portable Event
Recording devices

4. Paying costs associated with portable event recording devices.
5. Paying costs for personnel associated with maintaining portable event recording devices
6. Paying costs for training related to portable event recording devices

*NRS 244A 7645 includes additional detail in each category



Background: 911 Fund and Fund Budget Process

- Washoe County maintains a Special Revenue Fund and creates an annual budget for the E911 Fund.
- The E911 Fund balance may not exceed \$5 million.
 - If the fund exceeds \$5 million at the end of any fiscal year, the Board of County Commissioners shall reduce the amount of the surcharge for the next fiscal year.
- Annually, county staff utilize the 5-Year master plan and input from regional agencies to develop a budget:
 - Budgets are based on existing contracts and known expenses; past and expected expenses; and input from regional agencies.



Reasons for possible 911 Surcharge Increase

- On September 15, 2022, the 911 Emergency Response Advisory Committee recommended that the Board of County Commissioners increase the monthly 911 Surcharge by \$0.15, from \$0.85 to \$1.00 per individual phone line, to support 911 technology enhancements.
- ***Regionally, the Goal of the 911 technology enhancements is to improve emergency response services from Law Enforcement, Fire, and Medical.***



Reasons for possible 911 Surcharge Increase

- Why increase the E911 Surcharge?
- *911 Regionalization Efforts and multiple related projects:*
 - *Computer Aided Dispatch (CAD) System Upgrade*
 - *Additional (911 Fund eligible) Staff needs related to the new CAD System*
 - *Regional Dispatch Facility upgrade/expansion*
 - *Regional Emergency Services Internet Protocol Network (ESInet)*
- *Escalating costs of Regional Body-worn camera programs – costs have doubled since 2018.*
- *Considering the above costs, the 911 Fund is projected to have a negative balance in fiscal year 2023/2024 if additional funds are not raised or if cuts are not made.*
- Increasing the surcharge would increase annual revenue from approximately \$5.8 million to \$6.8 million



Business Impact Statement Goals

- An increase of the E911 Surcharge qualifies as a “rule”, as defined in NRS 237.060 and therefore a Business Impact Statement is required.
- The goal of a Business Impact Statement is to determine if a proposed action taken, e.g., a tax increase, by a local government has a significant impact on:
 - The operations of a business OR
 - The formation or expansion of a business



Business Impact Statement Process

- Multi-step process:
 1. **Notification of trade associations and /or business owners/operators.**
 - Data/information gathering
 1. Sent notifications to the 220 telecommunications providers that currently remit surcharge.
 2. Posted a legal Notice in the Reno Gazette Journal on March 3.
 - This started the 15-business-day comment period. The comment period closed March 27th.
 3. Posted notice on county social media sites.
 4. Posted online survey to collect public/business response.
 5. Hosted two workshops to explain the increase and collect public/business feedback.
 - Local Television News covered the workshops and produced stories on the possible surcharge increase.



Business Impact Statement Process

- *As part of Washoe County's notification process, we asked that businesses submit comments, arguments or data as to whether an increase of the 911 Surcharge would:*
 - Impose a direct and significant economic burden upon a business; or
 - Directly restrict the formation, operation, or expansion of a business.



Business Impact Statement Process

2. **Make a determination of business impact**

- *After a determination has been made, businesses must have an opportunity to review the statement before action is taken.*

3. If the county determines that there will be an impact, State law requires that the county consider methods of modifying the rule to reduce impact.



Business Impact Statement Results

- **No Business submitted comments, arguments, or data.**
 - Lack of comment does not signify lack of opposition, but it may signal that businesses are willing to operationalize the increased surcharge with the understanding that the increase is targeted at improving regional 911 services.
 - All businesses will be impacted by the increase. The magnitude of the impact depends on the number of phones each business utilizes.
 - The impact of the increase would be distributed equally across all businesses and does not single out any type of business.
- Washoe County Staff has made a determination that an increase of the E911 Surcharge by \$0.15, from \$0.85 to \$1.00, would **not** have a significant impact on:
 - The operations of a business OR
 - The formation or expansion of a business



Business Impact Statement

- **Next Steps:**

- Adoption of the Business Impact Statement does not increase the E911 Surcharge
- The E911 Surcharge can only be increased (or decreased) by a resolution of the Board of County Commissioners.
- In May, the Board of County Commissioners may consider a resolution to increase the E911 Surcharge from \$0.85 to \$1.00.

