



911 Surcharge – Business Impact Statement

April 2023

911 Telephone Line Surcharge Increase **Business Impact Statement**

INTRODUCTION

This business impact statement was prepared pursuant to NRS 237.080 and 237.090 to address potential impacts of a proposed increase to the 911 Telephone Line Surcharge (“911 Surcharge”) in Washoe County. The proposed surcharge increase qualifies as a rule, as defined in NRS 237.060, and therefore, is subject to the provisions of NRS 237.030 to 237.150, inclusive.

The proposed rule would increase Washoe County’s 911 surcharge. The current 911 surcharge rate is set at: \$0.85 per month for each customer access line to the local exchange of a telecommunications provider, \$0.85 per month for each telephone number assigned to a customer of mobile telephone service (including VoIP service), and \$8.50 per month for each customer trunk line to the local exchange of a telecommunications provider. In 2017, the Nevada Legislature enacted Senate Bill 176, which authorizes a county, through its board of county commissioners (“board”), to increase the county’s 911 surcharge in an amount up to: \$1.00 per month for each customer access line to the local exchange of a telecommunications provider, \$1.00 per month for each telephone number assigned to a customer of mobile telephone service (including VoIP service), and \$10.00 per month for each customer trunk line to the local exchange of a telecommunications provider. Notice was provided through the business impact statement process that Washoe County may increase the 911 surcharge rate in an amount up to the statutorily authorized amounts of \$1.00/\$1.00/\$10.00, respectively. On September 15, 2022, Washoe County’s 911 Emergency Response Advisory Committee (“911 Committee”) voted to recommend that the county increase the 911 surcharge rate and set the amount at: \$1.00 per month for each customer access line to the local exchange of a telecommunications provider, \$1.00 per month for each telephone number assigned to a customer of mobile telephone service, and \$10.00 per month for each customer trunk line to the local exchange of a telecommunications provider. These recommended amounts (\$1.00/\$1.00/\$10.00) are based on the information and data included within the Washoe County Regional 911 Master Plan Update (“5-Year Master Plan”), dated October 11, 2021 and adopted by the board on December 14, 2021; and subsequent Master Plan implementation analyses of revenue and expenditures. These amounts constitute the proposed rule, which is authorized by and will follow the guidelines specified in NRS 244A.7643.

BUSINESS IMPACT STATEMENT

1. The following constitutes a description of the manner in which comment was solicited from affected businesses, a summary of their response and an explanation of the manner in which

other interested persons may obtain a copy of the summary. (List all trade associations or owners and officers of businesses likely to be affected by the proposed rule that have been consulted).

On March 3, 2023, notice of the proposed 911 surcharge increase was sent to the on-file addresses of two hundred and twenty [220] telecommunications providers that currently remit 911 surcharge payments to Washoe County (Table 1). On March 3, 2023 and March 10, 2023, legal notice of the proposed 911 surcharge increase was also published in the Reno Gazette Journal and on the Reno Gazette Journal public notice website ([Public Notices \(rgj.com\)](https://www.rgj.com)). Notice of the proposed 911 surcharge increase was also posted to Washoe County’s webpage. Notice of the proposed 911 surcharge increase was also posted to Washoe County’s social media sites. On March 27, 2023, two workshops were conducted to provide information about the proposed 911 surcharge increase and to collect public comment. Public comments were also collected via a dedicated email address and a web-based survey. The public comment period was closed on March 27, 2023.

Table 1 - Telecommunication companies to which the Business Impact Statement notice was sent.

4Voice LLC	ANPI Business, LLC (VoIP)	Broadview Networks, Inc
5Linx Enterprises Inc (VoIP)	Assurance Wireless USA, LP	Broadview Networks, Inc
8x8, Inc	AT&T Communications of Nevada	Budget PrePay Inc
Absolute Home Phones Inc dba Absolute Mobile, Inc	AT&T Corp	Bullseye Telecom, Inc
Access Point, Inc	Bandwidth Inc (VoIP)	Call America (VoIP)
AccessLine Communications Corp (VoIP)	BCN Telecom Inc.	CallTower, Inc.
ACN Communications Services, Inc	Bespoke Communications, LLC	Cause Based Commerce, Inc dba The Sienna Group
Advanced TelCom Inc	Best Buy Health, Inc. dba GreatCall	Charter Advanced Services (NV), LLC (VoIP)
Affiliated Technology Solutions, LLC	Birch Telecom of the West, Inc.	Charter Fiberlink NV-CCVII, LLC
Airespring, Inc.	Blue Ocean Technologies	CloudCall, Inc.
Alltel Corporation	Blueface US, LLC	Coast to Coast Cellular, Inc
Allvoi, Inc (VoIP)	Boomerang Wireless LLC	COLLAB9, LLC (VoIP)
American Fiber Network, Inc	Broadband Dynamics, LLC	Comcast Business Communications, LLC

Amerivision Communications, Inc	Broadsmart Global, Inc	Commnet Wireless, LLC
Comtel Telecom Assets LP	Flex IP Solutions Inc.	inContact, Inc
ConnectMe, LLC	Fluentstream Technologies, LLC	iNetworks Group, Inc
Consumer Cellular, Inc	Fourteen IP, Inc	InReach, Inc
ConvergeOne, Inc.	Frontier Communications	Intelafone LLC (VoIP)
Cox Nevada Telecom, LLC	Frontier Communications of the Southwest	Interface Security Systems, LLC
Crexendo Business Solutions	Fusion Cloud Services, LLC	Intermedia Voice Services, Inc
Cricket Communications Inc	Fusion LLC	Intrado IP Communications, Inc.
Cricket Wireless LLC	Fuze, Inc FKA Thinking Phone	iTalk Global Communications Inc.
CSC Wireless, LLC	Gabb Wireless Inc.	ITC Global Networks, LLC
Cytracom, LLC	Garmin Services Inc.	i-Wireless LLC
DCT Telecom Group, LLC	Garmin USA Inc	IXC Holdings, Inc
Dialpad, Inc	Globalstar USA LLC	Jive Communications (VoIP)
Digium Cloud Services, LLC (VoIP)	Google North America Inc. dba Google Fi	KDDI America, Inc
Dish Wireless, LLC	Google Voice Inc.	Konica Minolta Business Solutions U.S.A., Inc
Distributed Computing, Inc.	GoTo Communications, Inc.	Level 3 Communications LLC
DVS Technologies LLC	Granite Telecommunications LLC	Lightyear Network Solutions, LLC
Electric Lightwave, LLC	GreatCall Inc dba Jitterbug	Lingo, Inc (VoIP)
Enhanced Communications Network Inc (VoIP)	GreenFly Networks Inc.	Locus Telecommunications, LLC
Eschelon Telecom of Nevada, Inc	ICIM Corporation	M5 Networks, LLC 1/1/18 merged with Mitel Cloud
Estech Systems, Inc.	iCommerce Services, Inc	MagicJack, SMB
Excellus Communications, LLC	iCore Networks, Inc (VoIP)	Magna5 LLC

Flash Wireless, Inc	IDT Corporation	Mango Voice, LLC
Marconi Wireless Holdings LLC	North American Telecommunications, Inc	Rural Telephone Company
Masergy Cloud Communications (VoIP)	NPCR Inc, DBA Nextel Partners	RX3 Communications, Inc
Matrix Telecom, Inc	NSV Connect, LLC	Sacramento Valley Limited Partnership
MCI Communications Services LLC	Nuso, LLC	Sacramento Valley Limited Partnership
MCImetro Access Transmission Services Corp-R	Onepath Systems, LLC	Sage Telecom (no longer operating in NV)
MegaPath Corporation	OnStar, LLC	Sage Telecom Communications, LLC
MetroPCS Nevada, LLC	Ooma, Inc	Sangoma US, Inc
MetTel of NV dba Metropolitan Telecomm	Paetec Communications, LLC	Shared Communications Services Inc
Mint Mobile, LLC	PanTerra Networks Inc	SI Wireless, LLC
Mitel Cloud Services, Inc	Peerless Network, Inc.	Simple VoIP, LLC
Momentum Telecom, Inc.	Phone.com Inc (VoIP)	SIP US LLC
NEC Cloud Communications America Inc.	Pinnacle Telecom (VoIP)	S-Net Communications, Inc
NetFortris Acquisition Co., Inc	PNG Telecommunications	Solavei, LLC
Network Services Solutions LLC	Primus Telecommunications, Inc (VoIP)	Spectrotel, Inc
Nevada Bell Telephone Company	Pulsar360 Corp.	Spectrum Advanced Services, LLC
New Cingular Wireless PCS LLC	Puretalk Holdings Inc.	Spectrum Mobile, LLC
New Global Telecom (VoIP)	QuantumShift Communications , Inc dba vCom Solut	Sprint Communications Company LP (VoIP)
New Horizon Communications Group	Ready Wireless, LLC	Sprint Spectrum LLC
Nextel Boost of California LLC	Ready Wireless, LLC	Sprint Telephony PCS, LP
Nextel of California	TW Telecom of Nevada, llc	Working Assets Funding Service, Inc
Nextiva, Inc (VoIP)	Twilio Inc	WWC License LLC (Verizon Wireless Regulatory)

nexVortex, Inc	U.S. Telepacific Corp.	XO Communications Services LLC
Stream Communications LLC	Red Pocket Inc	SprintCom, Inc
STX Group, LLC dba Twigby	Republic Wireless, Inc.	SprintCom, LLC
Syndeo LLC dba Broadvoice	RingCentral (VoIP)	Star2Star Communications, LLC (VoIP)
Telecom Evolutions LLC	Utility Telecom Group, LLC	Zoom Voice Communications Inc.
Telecom Management, Inc dba Pioneer Telephone	Utility Telephone Inc	Ztar Mobile Inc
Telecommunications of Nevada Inc	VDL Inc, dba Global Telecom Brokers	Ymax Communications Corp
Telesphere Networks, Ltd (hosted VoIP)	Velocity, A Managed Services Company, Inc.	Zayo Group, LLC
Tello, LLC	Virgin Mobile USA LP	Zefcom, LLC dba Telispire
TerraCom, Inc	Vision CTS LLC	
The Light Phone Inc.	VoIP Innovations, LLC	
The Maynard Group	Vonage America (VoIP)	
Ting, Inc	Vonage Business Inc (VoIP)	
T-Mobile West LLC	Vonage Business Networks, Inc	
TNCI Operating Company LLC	Voyzze Communications, Inc (VoIP)	
Toshiba America Information Systems, Inc	WDT Wireless Company, Verizon Regulatory	
TracFone Wireless, Inc	West IP Communications, Inc (VoIP)	
Trans National Communications Intl Inc (VoIP?)	Wholesale Carrier Services, Inc	
Troomi Wireless Inc	Windstream New Edge, LLC	
TSG Global, Inc	Wolters Kluwer	

No comments, responses, written data or arguments were received from the telecommunications providers. Of the interested parties, only individual citizens responded.

Interested persons may obtain a copy of this Business Impact Statement at the following location:

Washoe County Administration Complex
Building C, Ste. 220
Technology Services
1001 E. Ninth Street
Reno, Nevada 89520

A Copy of the Business Impact Statement may also be obtained online at:
https://www.washoecounty.us/technology/911_surcharge.php

2. The estimated economic effect of the proposed rule on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:

Adverse effects: The proposed rule will increase the monthly 911 surcharge for individual land and mobile telephone lines by \$0.15 to \$1.00 per line. The proposed rule will increase the monthly 911 surcharge for trunk lines by \$1.50 to \$10.00 per line. NRS 244A.7643 requires telecommunications providers to collect the surcharge from their customers each month and remit the surcharge to the treasurer of the county in which the surcharge is imposed. Therefore, businesses could be adversely impacted by this surcharge increase: Telecommunications providers will be burdened by the administrative actions necessary to notify their customers of the increased surcharge and to modify their billing system to begin collecting the surcharge at the new rate; other businesses will be paying the increased rate for their telephone lines with the magnitude of the increase dependent on how many land, mobile or trunk lines each business utilizes.

Beneficial effects: The increased 911 surcharge rate of \$1.00 per month for individual land and mobile telephone lines and \$10.00 per month for trunk lines will increase revenue in the county's 911 Fund by approximately \$962,200 annually. The increased fee will support the maintenance and upgrade of the E911 telephone system for reporting an emergency, which is used in Reno, Sparks and Washoe County to take emergency calls from citizens and businesses and to dispatch first responders to medical, fire, law enforcement and other emergencies. Additionally, the increased fee may support the purchase, maintenance and utilization of body-worn cameras by peace officers who routinely interact with the public, as mandated by NRS 289.830. The increased fee may also be used to fund the purchase of vehicle cameras for the Reno Police Department, Sparks Police Department and the Washoe County Sheriff's Office.

Direct effects: The increased fee is primarily being proposed to fund improvements and on-going maintenance to the telephone system used for reporting emergencies (E911). Additionally, as part of the phone system for reporting emergencies, the increased fee will support an upgrade to the Computer Aided Dispatch (CAD) system, and development of an

Emergency Services Internet (ESInet). For businesses, the direct effect of the fee increase will be payment of an additional \$0.15 per month for each individual land line and mobile telephone line, and an additional \$1.50 per month for each trunk line the business utilizes. Accordingly, every business which utilizes telephone services in the county will experience an increased monthly charge for telecommunications services. As noted above, the magnitude of the increased monthly charge will depend on how many land, mobile or trunk lines each business utilizes. Telecommunications providers will be impacted administratively because they will need to notify their customers of the increased surcharge and to modify their billing system to collect the surcharge at the new rate.

Indirect effects: There are no indirect effects on businesses from the proposed increase of the 911 Surcharge.

3. The following constitutes a description of the methods the local government considered to reduce the impact of the proposed rule on businesses and a statement regarding whether any, and if so which, of these methods were used: (Include whether the following was considered: simplifying the proposed rule; establishing different standards of compliance for a business; and if applicable, modifying a fee or fine set forth in the rule so that business could pay a lower fee or fine).

In 2020, Washoe County, upon recommendation by the 911 Emergency Response Advisory Committee, hired Federal Engineering Inc. to provide an update to the 5 Year Regional 911 Master Plan. This update includes a five-year plan for the enhancement of the E911 telephone system for reporting an emergency, the costs of purchasing and maintaining body-worn and in-vehicle video recording devices for authorized law enforcement agencies, as provided in NRS 244A.7643, and cost estimates for the upgrade of the regional Computer Aided Dispatch (CAD) system. The updated 5 Year Master Plan provides a thorough review of current operations, budgets, legal requirements, and future requirements and necessities of regional 911 emergency telephone systems, body-worn and in-vehicle event recording device programs within the City of Reno, City of Sparks and Washoe County, and the upgraded CAD system. The updated 5 Year Master Plan was presented to the 911 Emergency Response Advisory Committee in October of 2021 and was approved by the Board of County Commissioners in December 2021. Subsequently, Washoe County contracted with Galena Group, Inc. to undertake 5 Year Regional 911 Master Plan implementation activities. As part of the Master Plan review and implementation, Galena Group provided an updated review of 911 fund revenue and expenses, including updated expense projections related to the CAD upgrade and planned dispatch center expansion activities that would be eligible for 911 funds. After thoroughly reviewing and deliberating over the master plan recommendations and projected revenue and expenses, the 911 Committee recommended that the Board of County Commissioners increase the 911 Surcharge to \$1.00 per month for each customer access line to the local exchange of a telecommunications provider, \$1.00 per month for each telephone number assigned to a customer of mobile telephone service, and \$10.00 per month for each customer trunk line to the

local exchange of a telecommunications provider, citing known future expenses related to the CAD upgrade, 911 fund eligible dispatch expansion, additional 911 fund eligible staffing needs, and increasing costs for the purchase and maintenance of body cameras and in-vehicle cameras for authorized law enforcement agencies.

Based on state law requirements, it is not possible to establish different standards for businesses or allow businesses to pay lower or different surcharge fees than individuals. Surcharge fees are based on a set amount established by the Board via resolution and are calculated per land line, mobile telephone line and trunk line.

4. The governing body estimates the annual cost to the local government for enforcement of the proposed rule is:

\$0.00. NRS 244A.7643 requires each telecommunications provider operating within Washoe County to collect the 911 surcharge from their customers each month and remit the surcharge to the Washoe County treasurer. Washoe County Code, Chapter 65.455 states that:

"A surcharge imposed and collected by a telephone company pursuant to WCC 65.450 shall be considered subject to penalty for purposes of this subsection if not remitted to the county treasurer within ninety (90) days from the date established for remittance to the county."

"A penalty in the amount of 5% of the amount determined to be delinquent shall be assessed and made payable with the next quarterly remittance."

Accordingly, while Washoe County does not directly collect the 911 surcharge from telecommunications customers, late remittances are subject to a penalty, which is enforced by Washoe County staff. The surcharge increase is not anticipated to increase any current enforcement efforts.

5. If the proposed rule provides for a new fee or increases an existing fee, the total annual amount expected to be collected is:

Approximately \$6,859,000 per year. This value includes the current revenue collected from the existing 911 surcharge, which is approximately \$5,896,800, plus the revenue generated from the proposed 911 surcharge increase, which is approximately \$962,200 per year.

6. The money generated by the new fee or increase in the existing fee may be used by the local government, as authorized by NRS 244A.7645 (and in reverse order of priority), to:

Body Cameras & Vehicle Cameras:

Paying the costs associated with the acquisition, maintenance, storage of data, upgrade and replacement of equipment and software necessary for the operation of portable event recording

devices and vehicular event recording devices or systems that consist of both portable event recording devices and vehicular event recording devices.

911 Telephone System:

Purchase equipment and pay for services to enhance the 911 telephone system for reporting an emergency, including only:

- Paying recurring and nonrecurring charges for telecommunication services necessary for the operation of the enhanced 911 telephone system;
- Paying costs for personnel and training associated with the routine maintenance and updating of the database for the system;
- Purchasing, leasing or renting the equipment and software necessary to operate the enhanced 911 telephone system, including, without limitation, equipment and software that identify the number or location from which a call is made; and
- Paying costs associated with any maintenance, upgrade and replacement of equipment and software necessary for the operation of the enhanced telephone system.

911 Surcharge Audit:

Pay any costs associated with performing an analysis or audit pursuant to NRS 244A.7648 of the surcharges collected by telecommunications providers.

911 5-Year Master Plan:

Pay the costs of adopting and reviewing the 5-year master plan for the enhancement of the telephone system for reporting emergencies in the county that is required pursuant to NRS 244A.7643.

7. If the proposed rule includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary:

The proposed increase in the 911 surcharge does not duplicate, nor is it more stringent than federal, state, or local standards. NRS 244A.7643 authorizes a county government to impose the proposed surcharge amount, which is to be collected and remitted by telecommunications providers operating within the county.

CONCLUSION & STATEMENT OF IMPACT

Washoe County staff have made a concerted effort to determine if an increase of the 911 surcharge will have a direct and significant economic burden on a business or will impact the formation, operation or expansion of businesses in Washoe County. As part of the effort, staff conducted the following activities: notified stakeholders and advertised the proposed increase through a variety of methods; requested comments, arguments and data through the notification process; analyzed information and data related to businesses in the county including telecommunications services and technologies; and analyzed future needs of the 911 telephone

system for reporting emergencies and of the future needs of portable event recording device (body-worn and in-vehicle cameras) programs at each of the law enforcement agencies impacted by this change. The major findings of this process are listed below:

- No comments, responses, written data or arguments as requested through the business impact statement process were received from telecommunications providers or other businesses. While it should not be assumed that the lack of comment by businesses in Washoe County signifies a lack of opposition, the lack of comment by businesses in the county may signal that businesses are willing to operationalize the increased 911 surcharge if it results in a more robust 911 telephone system and portable event recording device programs at law enforcement agencies in Reno, Sparks and Washoe County.
- An increase of the 911 surcharge from \$0.85 to \$1.00 will impact every business in the county. The magnitude of the impact is dependent on how many land, mobile or trunk lines each business utilizes. Additionally, the impact is applied equally by line (land, mobile or trunk) across all businesses and does not single out any type of business. While the surcharge increase will have an impact, it is likely a minimal percentage of businesses' gross revenue and each business will be able to budget the increase into its operational costs.

Therefore, after thorough review of the 911 surcharge increase, including an increase of \$0.15 for individual land and mobile telephone lines and an increase of \$1.50 for trunk lines per month, and the potential impacts of the surcharge increase to businesses in Washoe County, it is determined that the surcharge increase will not impose a direct and significant economic burden upon a business or restrict the formation, operation or expansion of businesses in Washoe County.

CONTACT INFORMATION

Washoe County Technology Services
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775-328-2348

CERTIFICATION

I certify that, to the best of my knowledge or belief, the information contained in this Business Impact Statement was prepared properly and is accurate.

Eric P. Brown, Washoe County Manager

Date

End of Business Impact Statement