



January 25, 2011

The Honorable Pat Apple, Chairperson
Senate Committee on Utilities
Statehouse, Room 224-E
Topeka, Kansas 66612

Dear Senator Apple:

SUBJECT: Fiscal Note for SB 30 by Senate Committee on Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning SB 30 is respectfully submitted to your committee.

Under current law, a prepaid wireless 911 fee of 1.0 percent is collected by each wholesaler of prepaid wireless service and remitted to the Department of Revenue. SB 30 would increase the prepaid wireless 911 fee to 1.1 percent per retail transaction, moving the collection point from the wholesaler to the point-of-sale. Sellers would begin collecting the fees on January 1, 2012, and would be required to remit the fees to the Department of Revenue by electronic filing. The bill would prohibit any other tax, fee, surcharge, or other charge for 911 funding purposes to be imposed by the state, any political subdivision of the state, or any intergovernmental agency. The Department would be authorized to provide remittance information to the 911 state fund administrators for the purpose of verifying seller compliance and collection.

The Department would be required to establish registration and payment procedures for the collection of the fee and allowed to retain up to 1.0 percent of the fees collected for use in administering the provisions of this bill. The remaining amount would be transferred to the State Treasurer and credited to the Wireless Enhanced 911 Grant Fund. The Department would be allowed to retain an additional \$70,000 of remitted funds in FY 2012 for programming and other one-time costs.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	\$70,000
Expenditure	--	--	--	\$70,000
FTE Pos.	--	--	--	--

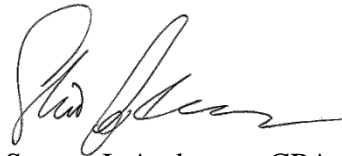
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The Department of Revenue estimates that SB 30 would increase state revenue for the Department by \$70,000 in FY 2012, which would be sufficient to cover the initial programming and other one-time costs. In FY 2010, the 1.0 percent prepaid wireless 911 fee generated approximately \$295,807. Because collection has never been made at the seller level, revenue from the 1.1 percent fee cannot be estimated. Any fiscal effect resulting from enactment of SB 30 is not accounted for in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue
Tom Day, KCC
Melissa Wangemann, KS Association of Counties
Larry Baer, League of KS Municipalities