

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

2024 South Dakota Legislature

FISCAL NOTE 2024-FN1092A

HB1092, An Act to revise provisions regarding the 911 emergency surcharge.

HB 1092, as amended, would adjust the monthly uniform 911 emergency surcharge from \$1.25 to \$2.00 per service user line. Per SDCL 34-45-4, "The proceeds of the 911 emergency surcharge shall be used to pay for allowable nonrecurring and recurring costs of the 911 system."

SDCL 34-45-8.2 specifies that entities required to collect the surcharge (telecommunications service provider, wireless telecommunications service provider, or Interconnected Voice over Internet Protocol service provider) must remit the proceeds to the Department of Revenue, which then, per SDCL 34-45-8.6, transfers the proceeds to the Department of Public Safety. Then, the Department of Public Safety remits 70% of the proceeds back to each public agency from which surcharges were collected. *See id.*

The remaining 30% is deposited in the public safety 911 emergency fund. SDCL 34-45-8.7 describes the necessary distribution of moneys in the fund: 26% goes to eligible public safety answering points and 74% is deposited into the 911 coordination fund. Moneys in this fund are "continuously appropriated for reimbursement of allowable nonrecurring and recurring costs of 911 service and operating expenses of the [911 Coordination Board]." SDCL 34-45-12.

In fiscal year 2023, the \$1.25 monthly uniform 911 emergency surcharge led to \$12,470,839 in revenue. Changing the surcharge to \$2.00 per service user line, and assuming no increase in the number of service lines,¹ would generate \$19,952,342 in revenue, a \$7,481,503 difference. The revenue would be allocated as follows:

- \$13,966,639 to counties (\$5,237,051 more);
- \$1,556,283 to eligible public safety answering points as defined in SDCL 34-45-8.7 (\$583,557 more); and
- \$4,429,420 to the 911 coordination fund (\$1,660,894 more).

Per SDCL 34-45-5, the cost of this increase would be applied only to service users. Data for this fiscal note was originally compiled by the 911 Coordination Board.

APPROVED BY: /s/ John McCullough
Director, Legislative Research Council

DATE: 1/29/2024

¹ From fiscal year 2018 to fiscal year 2023, the average annual increase in monthly uniform 911 emergency surcharge revenue was 0.7%.