



**Testimony of
JAKE LESTOCK
CTIA**

In Opposition to Colorado SB24-139

Before the House Finance Committee

April 25, 2024

Chairman Snyder, Vice Chair Joseph, and members of the House Finance Committee, on behalf of CTIA®, the trade association for the wireless communications industry, I submit this testimony in opposition to Senate Bill 139 which would increase 911 fees, likely exponentially, for Colorado wireless customers.

The wireless industry fully supports and partners with Colorado public safety providers, including providing interoperable services in furtherance of public safety efforts. While we support the legislation's goals of supporting public safety, we feel it is important to share with you our concerns on behalf of our wireless customers who will bear the brunt of the tax increases in the proposed legislation.

SB 139 would create a state "enterprise authority" that would provide additional authority for the state to levy a fee for additional purposes. Wireless carriers are concerned that this new fee would add to the already very high burdens on wireless consumers to pay for redundant expenditures. Under current law, both the state of Colorado and Colorado counties levy 911 fees to support the 911 system. The state currently imposes a fee of 9 cents per line



per month, while counties impose fees ranging from 70 cents per line per month to \$4.00 per line per month. According to the Colorado Public Utilities Commission (PUC), the average local 911 fee is \$1.91 per line per month. When added to the 9 cents per line per month state fee, the average Colorado consumer is currently paying \$2.00 per line per month. A family with a 4-line family plan is paying nearly \$100 per year just in 911 fees. If SB 139 is passed, that average fee could increase to \$2.41 per line per month. Additionally, while SB 139 clarifies that the added fee would be to fund statewide training initiatives and programs for 911 center personnel, public education campaigns and materials, and other 911-related training and support, there is limited information currently available regarding the actual funding needs. Furthermore, if additional funding is needed, most 911 agencies can already raise their fee through a simple majority vote of the board that requires no PUC permission.

Any 911 tax should be kept as low as possible and justified by data showing exactly what the tax will fund. These types of taxes are highly regressive, imposing a proportionately higher burden on lower-income people. Wireless phones are the gateway to the internet for many Coloradans, so overburdening these consumers with more taxes and fees may detrimentally affect their continued connectivity. The average 911 tax in states is about \$1.00 per line per month. If this proposed increase were to become law, the Colorado 911 tax would jump from a tie for 4th to the 2nd highest 911 fee in the country.¹ Furthermore, for the few

¹ See Figure 1 on Pg. 3



counties in the state that have \$4.00 local fees, residents could have the highest 911 tax in the country. For example, for a family in Phillips County, 911 fees could reach \$4.50 per line per month or \$216 per year for a family of four. This increase would be in addition to state, county, municipal, and special district sales taxes, the state Universal Service Fund surcharge, and a 988 fee of 14 cents per line per month.

The wireless industry remains committed to working with public safety officials to help ensure that 911 service is a coordinated and collaborative operation between the private and public sectors to provide quality 911 service at a reasonable cost. However, this increase seems excessive at a time when Coloradans can least afford it. Thank you for the opportunity to share our concerns and for your consideration.

State & Local 911 Fees Currently

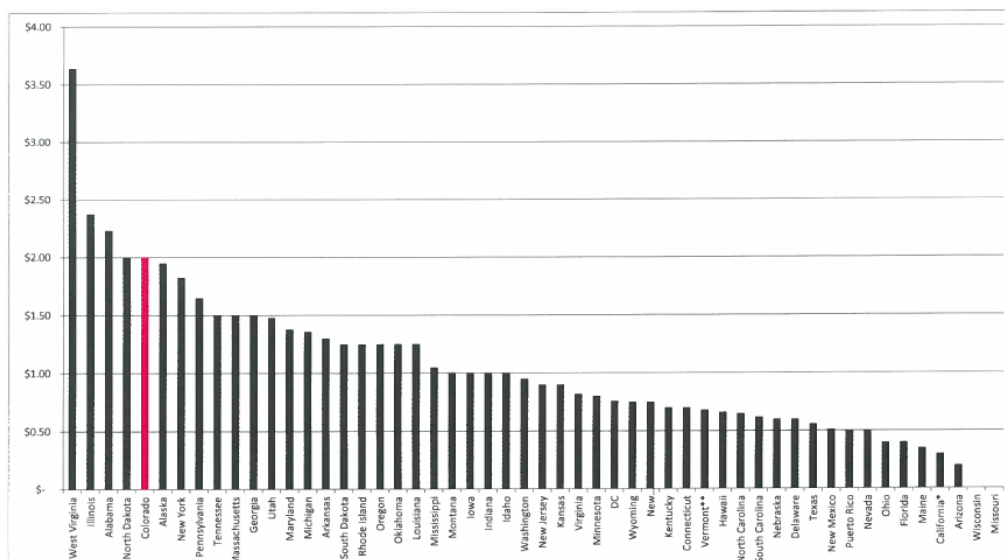


Figure 1