

Memorandum

To : Honorable Jerome E. Horton, Chairman
Honorable Michelle Steel, Vice Chair
Honorable Betty T. Yee, First District
Senator George Runner, Second District
Honorable John Chiang, State Controller

Date : October 18, 2013

From :  David J. Gau, Deputy Director
Property and Special Taxes Department

Subject : **2014 Emergency Telephone Users Surcharge Rate**
October 29-31, 2013 Board Meeting
Item P4 - Property and Special Taxes Deputy Director's Report

In accordance with sections 41030, 41031, and 41032 of the Revenue and Taxation Code, the Governor's Office of Emergency Services (OES) annually determines and notifies the Board of Equalization (Board) of the Emergency Telephone Users Surcharge (ETUS) rate. The Board is then charged with fixing the rate, publishing it in the minutes, and then notifying the registered service suppliers of the new rate.

In the attached letter dated September 6, 2013, the Board received notification that the OES has raised the surcharge rate from 0.50 percent to 0.75 percent, after calculating that the current rate is insufficient to cover anticipated expenditures to support the emergency 9-1-1- program. The Board must fix and publish in its minutes the new surcharge rate of 0.75 percent for calendar year 2014. OES is required by law to set the surcharge rate by October 1 of each year. The new rate will apply to charges for intrastate telephone communication services provided on or after January 1, 2014.

With the Executive Director's approval, this item will be placed on the October 2013 Board Meeting Calendar under the Property and Special Taxes Deputy Director's Report, Other Administrative Matters (Item P4) agenda item.

DJG:jm
Attachment

cc: Ms. Mike Gibson Ms. Marcy Jo Mandel
Mr. Joel Angeles Ms. Joann Richmond
Mr. Alan LoFaso Ms. Lynn Bartolo
Mr. Sean Wallentine Ms. Debbie Kalfsbeek

Approved: 
Cynthia Bridges, Executive Director



September 6, 2013

Ms. Debbie Kalfsbeek, Administrator
Board of Equalization
Special Taxes and Fees Division, MIC: 31
450 N Street
Sacramento, California 95814

**SUBJECT: SUBJECT: EMERGENCY TELEPHONE USERS SURCHARGE RATE FOR
FISCAL YEAR 2013-14**

Dear Ms. Kalfsbeek:

As stipulated by Revenue Taxation Code Sections 41030 and 41031, the Governor's Office of Emergency Services shall determine no later than October 1 of each year, a surcharge rate that will produce sufficient revenues to fund the expenditures authorized in support of California's 9-1-1 program.

Based on revenue projections for FY 13/14, the Governor's Office of Emergency Services, Public Safety Communications, requests a rate increase from the current level of one-half of 1 percent (.005), the minimum allowed by statute, to the maximum amount of three-fourths of 1 percent (.0075). The SETNA has shown an average yearly decrease of -4.74% since FY 09/10. The Board of Equalization SETNA fund condition statement currently predicts a balance of \$2,000.00 at the end of FY 13/14 compared to a balance of \$40 million in FY 12/13. It is estimated that an increase to .0075 would increase revenue by approximately \$38 million allowing the SETNA to remain solvent in FY 14/15.

If you require additional information, please contact William Anderson, (Interim) Branch Manager, of the California 9-1-1 Emergency Communications Branch, Public Safety Communications at (916) 657-9494.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Ghilarducci", is written over a light blue horizontal line.

Mark Ghilarducci, Director
Governor's Office of Emergency Services

cc: Karen Wong, Assistant Director, Public Safety Communications
William Anderson, (Interim) Branch Manager, California 9-1-1 Emergency Communications Branch
Sid Matsumoto, Business Taxes Specialist II, Special Taxes and Fees Division, Board of Equalization