

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number HB1603

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Rapp

3. Committee Commerce and Labor

4. Title Multiline telephone systems.

5. Summary/Purpose: Requires owners or operators of multiline telephone systems serving residential facilities, hotels and motels, business locations, and educational institutions to ensure that a public safety answering point is able to identify the location from which a call to 9-1-1 is placed.

6. Fiscal Impact Estimates are: Indeterminate.

7. Budget amendment necessary: No.

8. Fiscal implications: The impact of this legislation is upon the owners and operators of multi-line telephone systems (PBX, VOIP, etc). Since there does not appear to be an exemption for government agencies, this would include state and local government users as well. The cost to comply with this legislation varies greatly depending on the type of users served by the multi-line telephone system and the age of any existing system. As an example, any system serving residential customers must be retrofitted to support E-911 by January 1, 2012 regardless of the age of the system while there is no requirement to retrofit other system, but all new systems purchased after December 31, 2006 must include the E-911 service. The exact cost to each user (including to state agencies operating multi-line telephone systems) is impossible to calculate because of the number of variables. The reality is that most new multi-line systems (past 5 years) have the capability to send the automatic number identification that is required. Older systems may need an upgrade or interface to provide the same functionality.

The new cost to ALL users will be the cost of maintaining the location data. There are two components to this cost. First, there is the cost of actually tracking and maintaining the locations of all telephones within the organization. This may be a relatively small task or very, very large task depending on the size of the organization and the volume of changes. The second component is the cost of maintaining the database. Each multi-line telephone system user would need to provide the location records to the 9-1-1 database provider for the local public safety answering point (PSAP). For the majority of Virginia, these are the local exchange carriers Verizon and Sprint. The cost to host these records in the database, which are maintained through a web interface, varies based on the number of records entered. Additionally, since the local PSAPs are charged by the 9-1-1 database provider for each 100

records in the database, their costs may also increase due to the additional of multi-line telephone system records.

9. Specific agency or political subdivisions affected:

All entities, including private and government organizations, purchasing a multi-line telephone system after December 31, 2006, and organizations offering residential service regardless of when the system was purchased will be impacted by this legislation. It is important to note that several organizations operating multi-line telephone systems, including several universities, already provide this service.

10. Technical amendment necessary:

No.

11. Other comments:

None.

Date: 01/26/06 / wfb

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cc: Secretary of Technology