



**THE COUNCIL OF THE CITY OF NEW YORK
FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR
FISCAL IMPACT STATEMENT**

PROPOSED INTRO. NO. 214-A

COMMITTEE: Technology

TITLE: A Local Law to amend the administrative code of the city of New York, in relation to the enhanced 911 emergency telephone system surcharge.

SPONSORS: Council Member Garodnick (by request of the Mayor)

SUMMARY OF LEGISLATION: This legislation would amend Chapter 23-A of Title 11 of the Administrative Code of the City of New York by extending the enhanced 911 telephone surcharge that currently applies to wireline telephones to also apply to Voice over Internet Protocol (VoIP) services. The bill provides that there will be a one dollar surcharge for each telephone access line per month. It also directs that the surcharge will be used to pay for obtaining, operating and maintaining the City's enhanced 911 emergency telephone system. Additionally, VoIP service providers shall add the surcharge to all service bills.

EFFECTIVE DATE: This local law would take effect 10 days after its enactment into law.

FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED: See Impact on Revenues statement

FISCAL IMPACT STATEMENT:

	Effective FY11	FY Succeeding Effective FY12	Full Fiscal Impact
Revenues (+)	\$3,600,000	\$3,960,000	undeterminable
Expenditures (-)	\$0	\$0	undeterminable
Net	\$3,600,000	\$3,960,000	undeterminable

IMPACT ON REVENUES: It is estimated that there are 300,000 VoIP telephone access lines in New York City. When considering the one dollar monthly surcharge per VoIP telephone line, this legislation would generate revenue of \$3,600,000 in Fiscal 2011. For Fiscal 2012, it is estimated the number of VoIP telephone access lines will grow by 10% generating revenues of \$3,960,000 in Fiscal 2012. The number of individuals utilizing VoIP service is anticipated to grow over the next few years. However, insufficient data exists, at present, to estimate the timing or extent of this growth.

IMPACT ON EXPENDITURES: This legislation would have no impact on expenditures.

SOURCE OF FUNDS TO COVER ESTIMATED COSTS: NA

SOURCE OF INFORMATION: New York City Council Finance Division

ESTIMATE PREPARED BY: Andy Grossman, Deputy Director
John Russell, Legislative Financial Analyst

HISTORY: Intro. No. 214 was introduced by the Council on May 12, 2010 and referred to the Committee on Technology. The Committee held a hearing on this legislation on June 11, 2010 and the bill was then laid over. An amended version, Proposed Intro, 214-A, will be considered by the Committee on Finance on June 29, 2010.