

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 17, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #16: AMOUNT OF E-911 REVENUE

This memorandum is in response to Mayor Euille's request for information regarding the amount of E-911 revenue the City receives. The E-911 tax is imposed by the City on land lines to help defray the cost to provide enhanced emergency telephone service. In 1992, City Council first imposed a monthly E-911 tax of \$0.25 per land line. In 2000, City Council increased the monthly tax to \$0.50 per land line. While the City had been able to increase its E-911 fee in the past (the State cap was \$3.00 per landline per month with revenues not to exceed total emergency communications costs), starting in FY 2007, the State law on telecommunications has changed and therefore the City is prohibited from increasing its own E-911 rate. Rather, a statewide rate of \$0.75 cents per line will be instituted in January with all collected moneys (including other telecom tax revenues) pooled statewide and distributed to localities by formula.

City revenues from the E-911 tax peaked in 2002, when \$1.05 million was collected. Since then, the amount of E-911 tax has gradually decreased to expected revenues of \$530,000 in FY 2007. The decline has resulted from the increased use of cell phones and wireless and cable access to the Internet, as well as, commercial phone lines due to substantial over-payments made by Verizon to the City.

The table on the next page shows the amount of revenue, by fiscal year, beginning in 2001.

E-911 Revenue by Fiscal Year

Fiscal Year	Amount of Revenue
2001	\$ 940,230
2002	\$1,050,074
2003	\$ 685,412
2004	\$ 670,123
2005	\$ 670,123
2006 Projected	\$ 575,000
2007 Proposed	\$ 530,000