



**Testimony of
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North Dakota Senate Bill 2149

**Before the
North Dakota Senate Human Services Committee**

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Chair, and members of the committee, on behalf of CTIA®, the trade association for the wireless communications industry, I submit this testimony to address concerns with North Dakota Senate Bill 2149. CTIA and its member companies support the designation of 988 as the three-digit dial for the National Suicide Prevention Lifeline. CTIA member companies have implemented network changes to ensure Americans can dial 988 when in crisis.

CTIA and its members also understand the importance of a workable state 988 funding framework. From the outset, it is important to note that most states implementing 988 are seeking general fund appropriations to fund it as opposed to enacting a new tax on their residents. Last year, over 25 states looked at the issue and every state, except California, chose to either appropriate state 988 funds using state or federal funding or study the issue.. It is also important to note that in the December 2022 Executive Revenue Forecast, North



Dakota recorded a budget surplus of over \$650 million.¹ A new tax on North Dakotans is puzzling considering this recent windfall of state funds especially considering that North Dakota has the 11th highest state and local tax and fee burden in the country.² Wireless consumers in your state already pay over 15 percent of their cell phone bills in state and local taxes and fees, and these types of fees are highly regressive. For these reasons, we would encourage the state to look at state appropriations and federal funds – as opposed to a new tax on telecommunications consumers as this bill contemplates - to support 988.

If the state cannot find the funds to support 988 through general revenue and federal funding, SB 2149 needs amendments to ensure that any new tax on telecommunications consumers is limited. For example, the 988 fee should be limited to funding equipment, communications services, and direct costs for crisis hotline center personnel for 988 call taking and appropriate call routing.

The 988 effort has been analogized to 911. 911 fees fund government-operated Public Safety Answering Points for call taking and routing; 911 fees do not fund police, fire, or EMS. Funding for the response (police, fire, and EMS) comes from general revenue. Likewise, if the state cannot find general fund revenue and/or use federal funds to support 988, the 988 fee

¹ Joe Morrisette, Office of Management and Budget. “Status of the General Fund and Executive Revenue Forecast.” Dec. 07, 2022. <https://www.omb.nd.gov/sites/www/files/documents/news/budget-section-presentation-12-7-2022.pdf>.

² Hoffer, Adam, and Scott Mackey. Tax Foundation, 2022, Excise Taxes and Fees on Wireless Services Increase Again in 2022, <https://taxfoundation.org/wireless-taxes-cell-phone-tax-rates-by-state-2022/>. Accessed 13 Jan. 2023.



should fund the crisis centers for call taking and routing. The 988 fee should not fund the response (mobile crisis support teams, stabilization services, outreach teams, follow-up services, etc.). Funding for the response (mobile crisis, stabilization, outreach, etc.) should come from general revenue.

In addition, the 988 fee should be kept as low as possible and justified by data showing exactly what the fee will fund. These types of fees are highly regressive. When cell phones are the gateway to the internet for many North Dakota residents, overburdening consumers with more taxes and fees may detrimentally affect their continued connectivity. Limiting the scope of the 988 fee's funding and keeping the fee as low as possible justified by spending data will ensure North Dakota wireless consumer taxes and fees are kept within reason.

Further, we need to ensure the effective collection and administration of the state 988 fee. For example, language should be added extending liability protections for telecommunications service providers similar to language in the state 911 statute. There is also currently no collection or remittance process in the bill for telecommunications providers. These issues must be addressed in the legislation to ensure an effective collection and administration framework for the state 988 fee.

Moreover, if a fee is contemplated, there should be a single statewide fee, and local governments should be explicitly preempted in state law from imposing local 988 fees. This will ensure there is effective and statewide 988 coordination and prevent localities from



shifting programs currently funded from general revenues to new fees on wireless consumers. A single statewide fee will also help ensure that North Dakota wireless consumer taxes and fees are kept within reason. Further, the remittance language in the bill needs to be amended to ensure that providers have time to actually remit the fees that are collected.

We would encourage North Dakota to find general fund revenue and use federal funds to support 988 before enacting a new tax on telecommunications consumers. We welcome the opportunity to work with the sponsor on this issue. The wireless industry looks forward to the successful implementation of 988 to help our fellow Americans in crisis. Thank you for your consideration.