



**Testimony of
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North Dakota Senate Bill 2200

**Before the
North Dakota Senate Industry & Business Committee**

January 20, 2025

Chairman Barta, Vice Chairman Boehm, 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 2200. 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 right now.

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 utilizing general fund appropriations and federal contributions for funding as opposed to enacting a new tax on their residents. In the past few years, over 30 states have proposed to either appropriate general fund revenue and utilize federal funds or study the issue further. As shown in the attached map, only nine states



have chosen to fund these services through a new tax on telephone bills.¹

It is also important to note that the Office of Management and Budget projected North Dakota's general fund is expected to end the 2023-25 biennium with a nearly \$713 million surplus.² A new tax on North Dakotans is puzzling considering this recent windfall of state funds. This is especially concerning in light of how comparatively high the state's wireless taxes currently stand. North Dakota has the 13th highest state and local tax and fee burden in the country.³ Wireless consumers in your state already pay nearly 15.8 percent of their cell phone bills in state and local taxes and fees and nearly 29% in federal and state taxes, and these types of fees are highly regressive.

Any 988 tax should be kept as low as possible and justified by data showing exactly what the tax will fund. These types of taxes are highly regressive. Wireless phones are the gateway to the internet for many North Dakotans, so overburdening these consumers with more taxes and fees may detrimentally affect their continued connectivity. Limiting the scope of the 988 tax and keeping it as low as possible will help the bottom line for so many consumers. Together with North Dakota's current

¹ See Figure 1 on Pg. 4.

² Steurer, M., & Achterling, M. (2024, September 19). *Budget outlook positive as North Dakota lawmakers prepare for next session*. North Dakota Monitor. <https://northdakotamonitor.com/2024/09/18/budget-outlook-positive-as-north-dakota-lawmakers-prepare-for-next-session/>.

³ Mackey, S. (2024, September 18). *Taxes on wireless services: Cell phone tax rates by state*. Tax Foundation. <https://taxfoundation.org/data/all/state/wireless-taxes-cell-phone-tax-rates-by-state-2024/>.



wireless tax burden, the adoption of a new 988 tax could have a real impact on telecommunications consumers.

If you choose to enact a new tax, CTIA would propose amendments to ensure that any new tax on telecommunications consumers is limited. The scope of the 988 tax 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 system often has been compared to 911 taxes that fund only government-operated Public Safety Answering Points for call taking and routing. The 911 tax does not fund police, fire, or EMS services and relies instead on the state's general fund revenues. CTIA would ask that 988 funding be approached in the same manner. Any 988 tax should fund only the crisis centers for call-taking and routing. CTIA supports providing appropriate responses to people experiencing a mental health crisis, but we do not believe the cost for those services should be borne solely by the state's telecommunications consumers.

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 an effective 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.

In closing, the wireless industry looks forward to continuing to work with federal and state entities to ensure the successful implementation of 988 to help our fellow Americans experiencing a mental health crisis. We would encourage North Dakota to choose general and federal funding to support 988 and provide detailed estimates on 988 crisis hotline funding needs, before turning to telecommunications consumers to bear that cost. We welcome the opportunity to work with the sponsor on this issue. Thank you for your consideration.

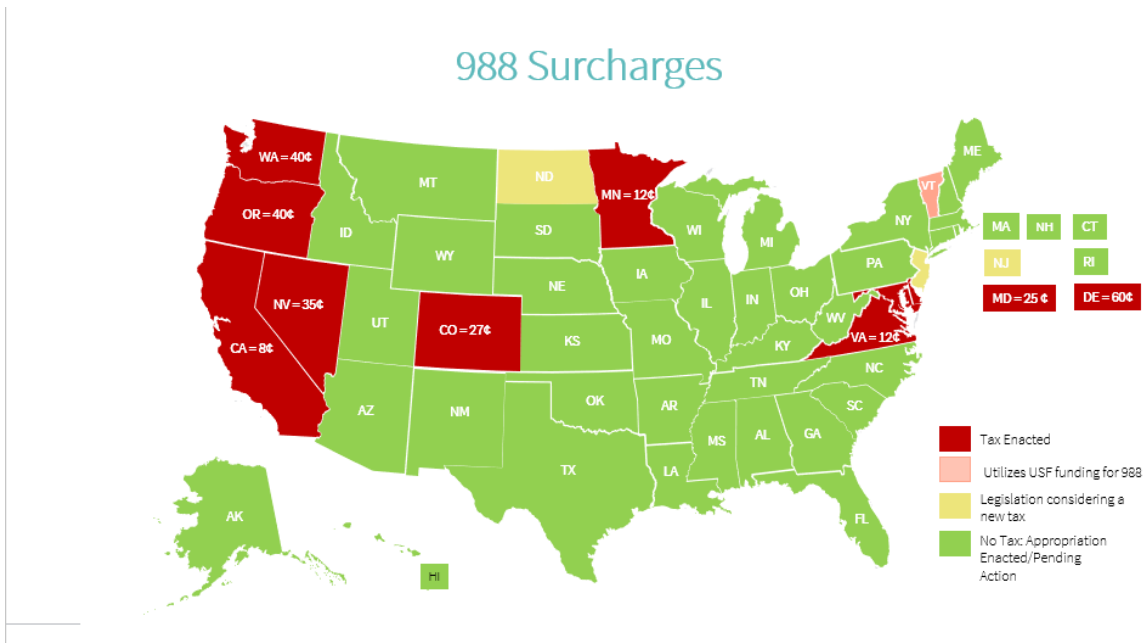


Figure 1