

E911 FUNDING

*Urban County Council
Budget, Finance, and Economic Development Committee
June 23, 2026
Wes Holbrook, Director of Revenue*



LEXINGTON



E911

- Enhanced 911 is funded by collection of a fee on landlines registered in Fayette County.
 - Certain E911 operations are funded by the general fund because they are not eligible to be paid by E911 funding under state statutes.
- Over time, these dedicated funds have stagnated or decreased. An annual subsidy is now required to support the E911 fund.
- Burden of paying for E911 services is disproportionately paid by landline owners.

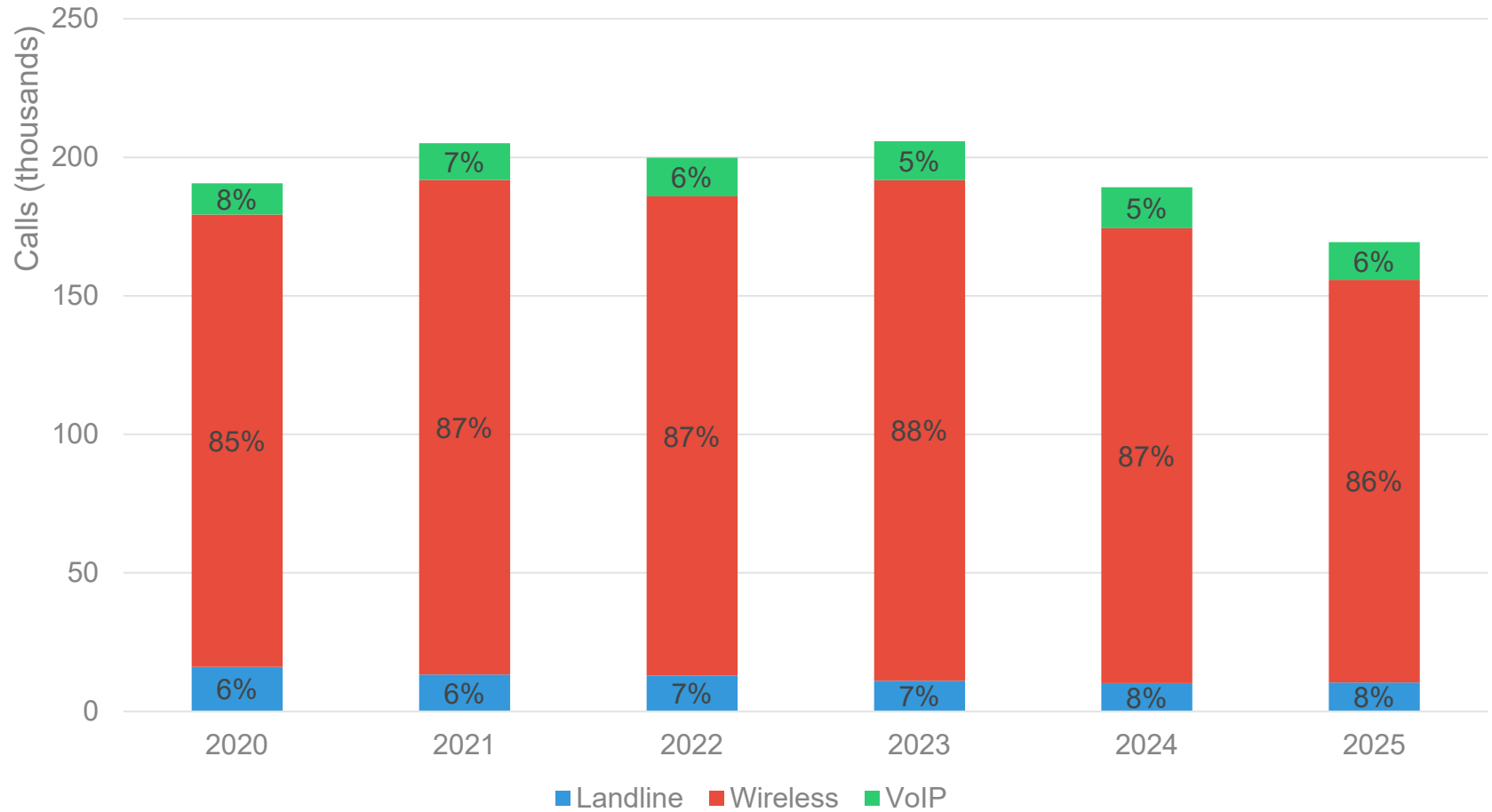


Current Emergency Telephone Service Funding Fee

- Section 13-63 of the Code of Ordinances.
- In June 2008, Section 13-63 of the Code of Ordinances was revised to set the monthly fee at \$2.10 with an annual 4.5% increase starting July 1, 2009. The fee effective July 1, 2026 is \$4.64.



Emergency Calls by Source



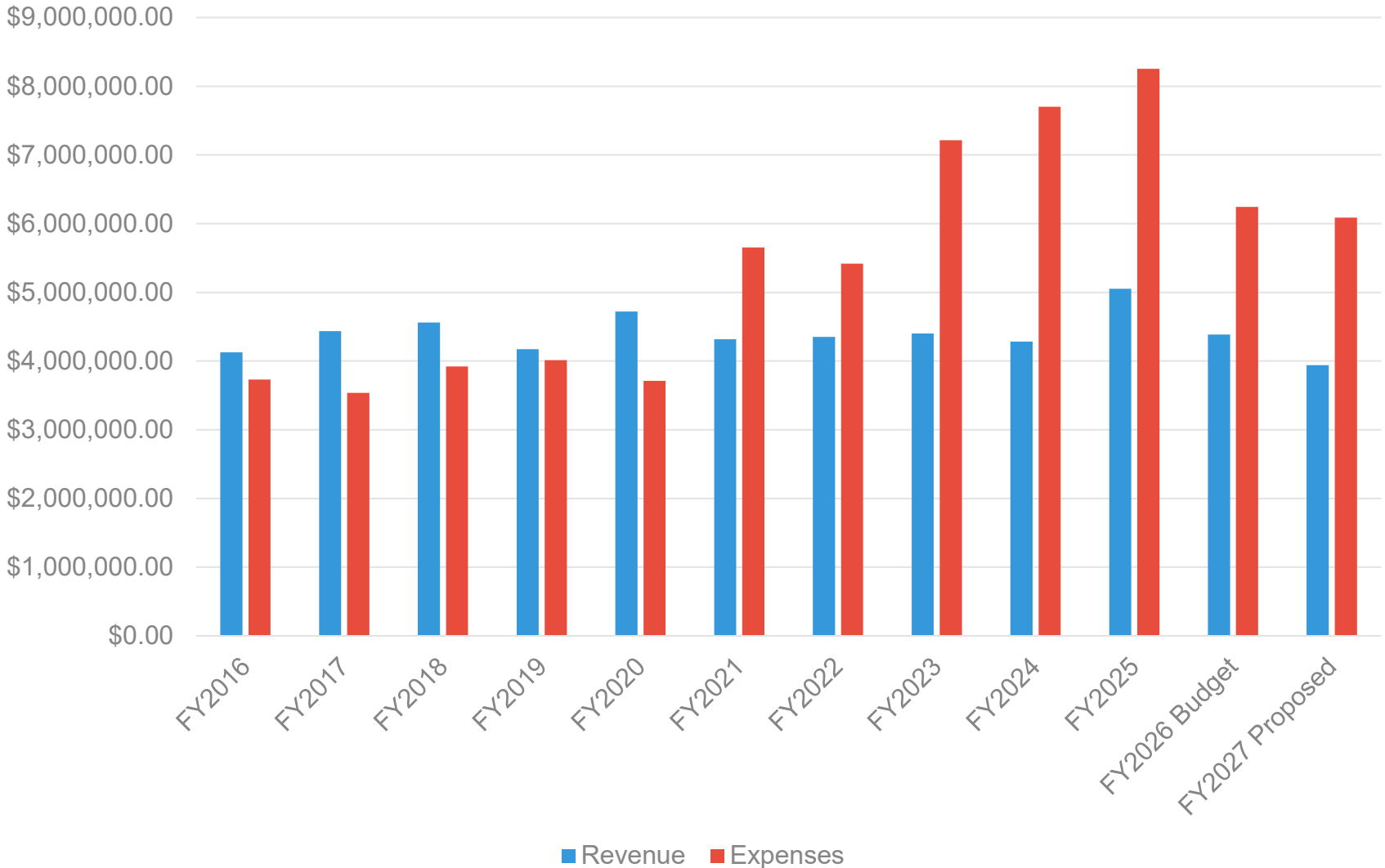


Why do we have a subsidy?

- Revenue Challenges
 - Cellular phone plans are taxed through the state and provide minimal E911 revenue.
 - Landline usage has decreased and become less common throughout the country.
 - E911 Fund balance decreased as revenues went down.
- Rising Expenses
 - Personnel, operating, and capital costs have increased over time beyond the revenues of the dedicated fund.
- Necessary service
 - E911 is a critical service for citizens and large-scale reductions are not possible.

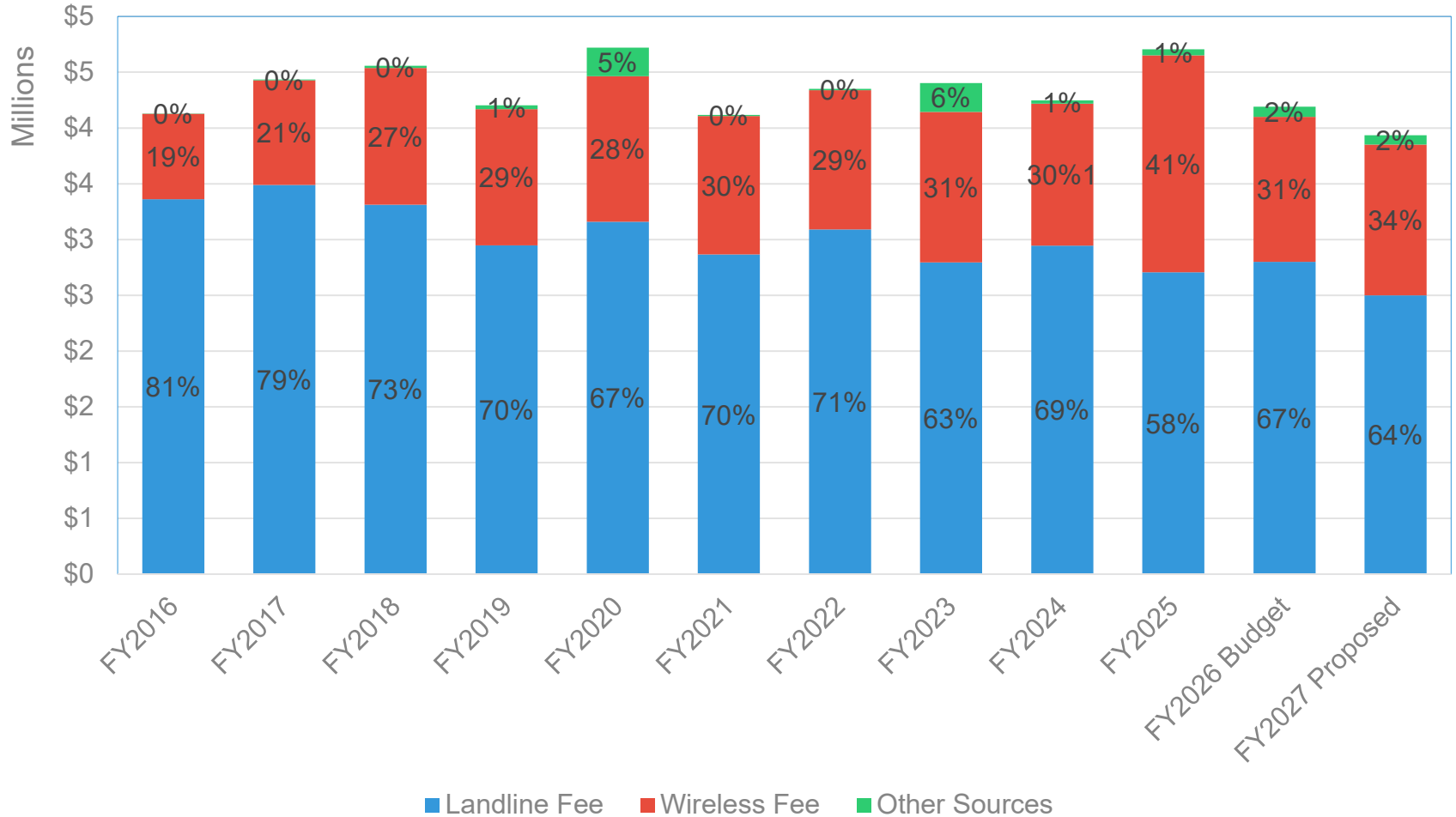


E911 Revenues vs Expenses



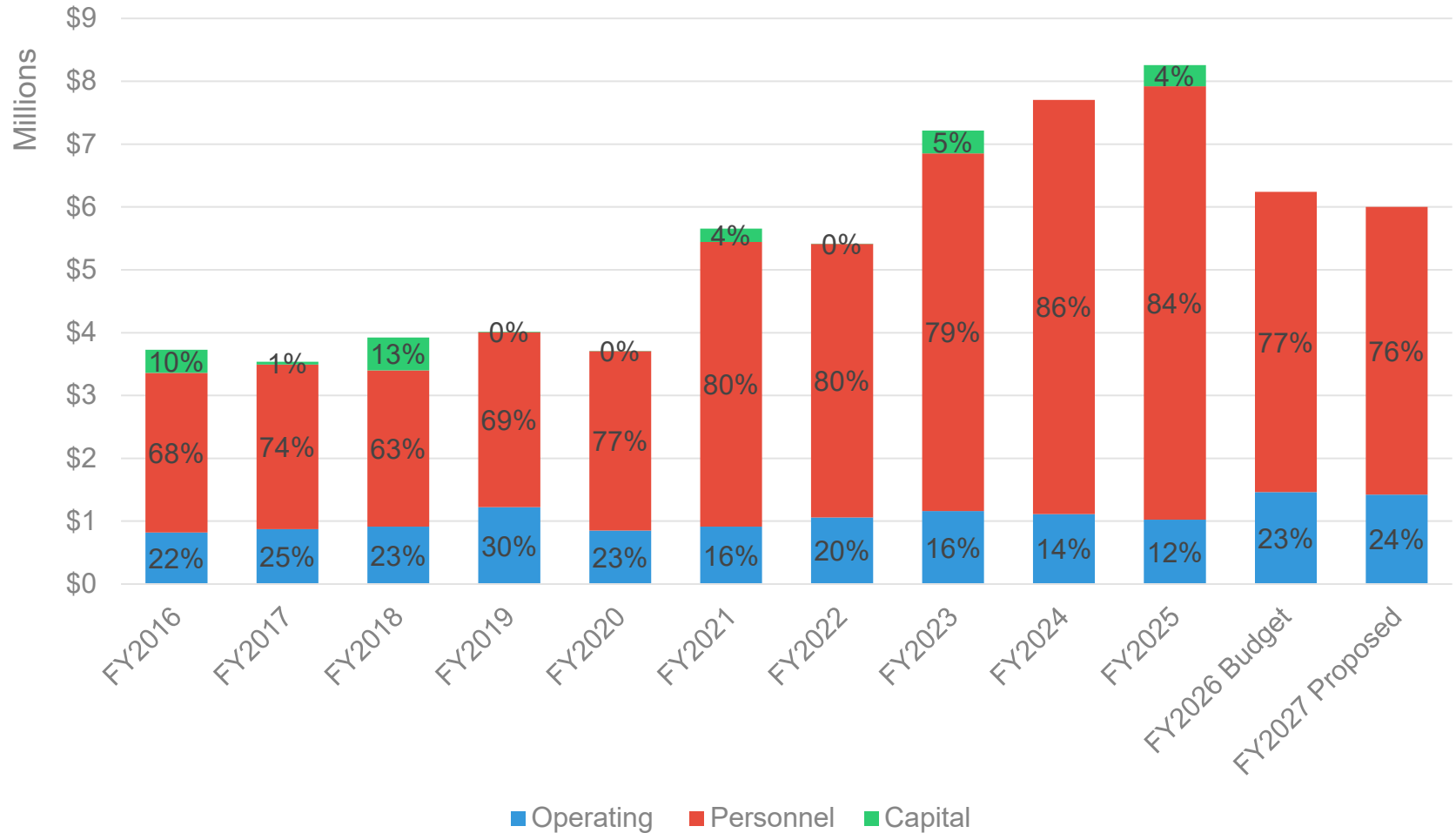


E911 Revenues by Source





E911 Expenditures by Category





E911 Transfers In

Fiscal Year	Transfer Amount
2020	\$200,000
2021	\$200,000
2022	\$0
2023	\$2,855,332
2024	\$4,225,579
2025	\$1,966,278
2026	\$1,896,572*
2027	\$2,149,017*

*Budgeted



Imposition of Fees

- KRS 65.760 allows local governments to levy a special tax, license, or fee to fund a 911 emergency service.
- Revenues can only support “the establishment, operation, or maintenance of a PSAP, the delivery of 911 emergency services, or the provision of wireless enhanced 911 services.”



E911 Service Fee in Other KY Municipalities

- Several counties and cities have begun to alter their funding structure away from landlines or other funding.
 - Campbell County
 - Madison County



E911 Service Fee in Other KY Municipalities

- Campbell County
 - In 2015, Campbell County imposed a \$45 annual fee upon each individual property unit (residential and commercial) within the county.
 - Annual fee is currently \$70.
 - The annual fee was challenged in court and withstood in 2015.
 - *Greater Cincinnati/N. Kentucky Apartment Association, Inc. v. Campbell County. Fiscal Court*
 - The Greater Cincinnati/Northern Kentucky Apartment Association challenged the fee as an unconstitutional and invalid exercise of the County’s authority on the basis that the fee was an impermissible “user fee.”
 - The Court interpreted the statute to demonstrate the General Assembly’s specific intent to permit local governments to fund 911 via fees and the statutory language did not create an impermissible user fee.
 - The Court emphasized that a fee under KRS 65.760 is permissible where it bears a reasonable relationship to the benefit received.



E911 Service Fee in Other KY Municipalities

- Madison County
 - Originally passed a new funding structure shared between the County, City of Berea, and City of Richmond in 2024.
 - This would have been an additional line on the property tax bill received annually.
 - This ordinance was repealed in July 2025 before implementation.
 - In August 2025, the 911 Service Fee ordinance replaced the landline fee with a Water Meter Fee.
 - The effective date for the new fee was January 1, 2026.
 - The new fee is a Water Meter Fee.
 - Separate line on the Water Service Bill.
 - Monthly fee.
 - This fee method withstood a court challenge in 2020.



Outstanding Questions

- Residential vs. Commercial vs. Institutional Calls
- Capital Needs of E911 over time
- Annual vs. Monthly Fee
- Role of Central Kentucky 911 Funding
- Operational Changes for non-emergency calls

Questions?

