

**SUBSTITUTE FOR  
SENATE BILL NO. 1009**

A bill to amend 1986 PA 32, entitled "Emergency telephone service enabling act," by amending sections 401, 403, 404, 405, 406, and 505 (MCL 484.1401, 484.1403, 484.1404, 484.1405, 484.1406, and 484.1505), sections 401, 403, and 405 as amended and section 406 as added by 1994 PA 29.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 401. (1) AN EMERGENCY TELEPHONE DISTRICT BOARD, A  
2 9-1-1 SERVICE DISTRICT AS DEFINED IN SECTION 102 AND CREATED PUR-  
3 SUANT TO SECTION 201A, OR A COUNTY ON BEHALF OF A 9-1-1 SERVICE  
4 AREA CREATED BY THE COUNTY MAY ENTER INTO AN AGREEMENT WITH A  
5 PUBLIC AGENCY THAT DOES EITHER OF THE FOLLOWING:  
6       (A) GRANTS A SPECIFIC PLEDGE OR ASSIGNMENT OF A LIEN ON OR A  
7 SECURITY INTEREST IN ANY MONEY RECEIVED BY A 9-1-1 SERVICE  
8 DISTRICT FOR THE BENEFIT OF QUALIFIED OBLIGATIONS.

**SB 1009, As Passed Senate, June 11, 1998**

SB 1009 as amended June 4, 1998

2

1 (B) PROVIDES FOR PAYMENT DIRECTLY TO THE PUBLIC ENTITY  
2 ISSUING QUALIFIED OBLIGATIONS OF A PORTION OF THE EMERGENCY  
3 TELEPHONE OPERATIONAL CHARGE SUFFICIENT TO PAY WHEN DUE PRINCIPAL OF AND  
4 INTEREST ON QUALIFIED OBLIGATIONS.

5 (2) A PLEDGE, ASSIGNMENT, LIEN, OR SECURITY INTEREST FOR THE  
6 BENEFIT OF QUALIFIED OBLIGATIONS IS VALID AND BINDING FROM THE  
7 TIME THE QUALIFIED OBLIGATIONS ARE ISSUED WITHOUT A PHYSICAL  
8 DELIVERY OR FURTHER ACT. A PLEDGE, ASSIGNMENT, LIEN, OR SECURITY  
9 INTEREST IS VALID AND BINDING AND HAS PRIORITY OVER ANY OTHER  
10 CLAIM AGAINST THE EMERGENCY TELEPHONE DISTRICT BOARD, THE 9-1-1  
11 SERVICE DISTRICT, OR ANY OTHER PERSON WITH OR WITHOUT NOTICE OF  
12 THE PLEDGE, ASSIGNMENT, LIEN, OR SECURITY INTEREST.

13 (3) ~~(1) Each~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412,  
14 EACH service supplier within a 9-1-1 service district shall pro-  
15 vide a billing and collection service for an emergency telephone  
16 technical charge and emergency telephone operational charge from  
17 all service users of the service supplier within the geographical  
18 boundaries of the emergency telephone or 9-1-1 service district.  
19 The billing and collection of the emergency telephone operational  
20 charge and that portion of the technical charge used for billing  
21 cost shall begin as soon as feasible after the final 9-1-1 serv-  
22 ice plan has been approved. The billing and collection of the  
23 emergency telephone technical charge not already collected for  
24 billing costs shall begin as soon as feasible after installation  
25 and operation of the 9-1-1 system. The emergency telephone tech-  
26 nical charge and emergency telephone operational charge shall be  
27 uniform per each exchange access facility within the 9-1-1

**SB 1009, As Passed Senate, June 11, 1998**

Senate Bill No. 1009

3

1 service district. The portion of the emergency telephone  
2 technical charge that represents start-up costs, nonrecurring  
3 billing, installation, service, and equipment charges of the  
4 service supplier, including the costs of updating equipment nec-  
5 essary for conversion to 9-1-1 service, shall be amortized at the  
6 prime rate plus 1% over a period not to exceed 10 years and shall  
7 be billed and collected from all service users only until those  
8 amounts are fully recouped by the service supplier. The prime  
9 rate to be used for amortization shall be set before the first  
10 assessment of nonrecurring charges and remain at that rate for 5  
11 years, at which time a new rate may be set for the remaining  
12 amortization period. Recurring costs and charges included in the  
13 emergency telephone technical charge and emergency telephone  
14 operational charge shall continue to be billed to the service  
15 user.

16 (4) ~~(2) Subject~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412  
17 AND SUBJECT to the limitation provided by this section, the  
18 amount of the emergency telephone technical charge and emergency  
19 telephone operational charge to be billed to the service user  
20 shall be computed by dividing the total emergency telephone tech-  
21 nical charge and emergency telephone operational charge by the  
22 number of exchange access facilities within the 9-1-1 service  
23 district.

24 (5) ~~(3)~~ Except as provided in subsection ~~(5)~~ (7) AND  
25 SECTIONS 407 TO 412, the amount of emergency telephone technical  
26 charge payable monthly by a service user for recurring costs and  
27 charges shall not exceed 2% of the ~~highest monthly flat rate~~

**SB 1009, As Passed Senate, June 11, 1998**

Senate Bill No. 1009

4

1 ~~charged by a service supplier for a 1-party access line~~ LESSER  
2 OF \$20.00 OR THE HIGHEST MONTHLY RATE CHARGED BY THE SERVICE SUP-  
3 PLIER FOR BASIC LOCAL EXCHANGE SERVICE PURSUANT TO SECTION 304B  
4 OF THE MICHIGAN TELECOMMUNICATIONS ACT, 1991 PA 179, MCL  
5 484.2304B, within the 9-1-1 service district. The amount of  
6 emergency telephone technical charge payable monthly by a service  
7 user for nonrecurring costs and charges shall not exceed 5% of  
8 the ~~highest monthly flat rate charged by the service supplier~~  
9 ~~for a 1-party access line~~ LESSER OF \$20.00 OR THE HIGHEST  
10 MONTHLY RATE CHARGED BY THE SERVICE SUPPLIER FOR BASIC LOCAL  
11 EXCHANGE SERVICE PURSUANT TO SECTION 304B OF THE MICHIGAN TELE-  
12 COMMUNICATIONS ACT, 1991 PA 179, MCL 484.2304B, within the 9-1-1  
13 service district. With the approval of the county board of com-  
14 missioners, a county may assess an amount for recurring emergency  
15 telephone operational costs and charges that shall not exceed 4%  
16 of the ~~highest monthly flat rate charged by a service supplier~~  
17 ~~for a 1-party access line~~ LESSER OF \$20.00 OR THE HIGHEST  
18 MONTHLY RATE CHARGED BY THE SERVICE SUPPLIER FOR BASIC LOCAL  
19 EXCHANGE SERVICE PURSUANT TO SECTION 304B OF THE MICHIGAN TELE-  
20 COMMUNICATIONS ACT, 1991 PA 179, MCL 484.2304B, within the geo-  
21 graphical boundaries of the assessing county. The percentage to  
22 be set for the emergency telephone operational charge shall be  
23 established by the county board of commissioners pursuant to  
24 section 312. A CHANGE TO THE PERCENTAGE SET FOR THE EMERGENCY  
25 TELEPHONE OPERATIONAL CHARGE MAY BE MADE ONLY BY THE COUNTY BOARD  
26 OF COMMISSIONERS. The difference, if any, between the amount of  
27 the emergency telephone technical charge computed under

**SB 1009, As Passed Senate, June 11, 1998**

Senate Bill No. 1009

5

1 subsection ~~-(2)-~~ (4) and the maximum permitted under this section  
2 shall be paid by the county from funds available to the county or  
3 through cooperative arrangements with public agencies within the  
4 9-1-1 service district.

5 (6) ~~-(4) The~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412, THE  
6 emergency telephone technical charge and emergency telephone  
7 operational charge shall be collected in accordance with the reg-  
8 ular billings of the service supplier. The amount collected for  
9 emergency telephone operational charge shall be paid by the serv-  
10 ice supplier to the county that authorized the collection. The  
11 emergency telephone technical charge and emergency telephone  
12 operational charge payable by service users pursuant to this act  
13 shall be added to and shall be stated separately in the billings  
14 to service users.

15 (7) ~~-(5) For~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412, FOR  
16 a 9-1-1 service district created or enhanced after June 27, 1991,  
17 the amount of emergency telephone technical charge payable  
18 monthly by a service user for recurring costs and charges shall  
19 not exceed 4% of the ~~highest monthly flat rate charged by the~~  
20 ~~service supplier for a 1-party access line~~ LESSER OF \$20.00 OR  
21 THE HIGHEST MONTHLY RATE CHARGED BY THE SERVICE SUPPLIER FOR  
22 BASIC LOCAL EXCHANGE SERVICE PURSUANT TO SECTION 304B OF THE  
23 MICHIGAN TELECOMMUNICATIONS ACT, 1991 PA 179, MCL 484.2304B,  
24 within the 9-1-1 service district.

25 (8) ~~-(6) A~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412, A  
26 county may, with the approval of the voters in the county, assess  
27 up to 16% of the ~~highest monthly flat rate charged by a service~~

**SB 1009, As Passed Senate, June 11, 1998**

SB 1009 as amended June 4, 1998 6

1 ~~supplier for a 1-party access line~~ LESSER OF \$20.00 OR THE  
2 HIGHEST MONTHLY RATE CHARGED BY THE SERVICE SUPPLIER FOR BASIC  
3 LOCAL EXCHANGE SERVICE PURSUANT TO SECTION 304B OF THE MICHIGAN  
4 TELECOMMUNICATIONS ACT, 1991 PA 179, MCL 484.2304B, within the  
5 geographical boundaries of the assessing county or assess a mill-  
6 age or combination of the 2 to cover emergency telephone oper-  
7 ational costs. In a ballot question under this subsection, the  
8 board of commissioners shall specifically identify how the col-  
9 lected money is to be distributed. An affirmative vote on a  
10 ballot question under this subsection shall be considered an  
11 amendment to the 9-1-1 service plan pursuant to section 312. Not  
12 more than 1 ballot question under this subsection may be submit-  
13 ted to the voters within any 12-month period. ~~and an~~ AN assess-  
14 ment approved under this subsection shall be for a period not  
15 greater than 5 years [REDACTED]  
16 [REDACTED]  
17 [REDACTED].

18 (9) THE TOTAL [REDACTED] EMERGENCY TELEPHONE OPERATIONAL  
19 CHARGE AS PRESCRIBED IN SUBSECTIONS (5) AND (8) SHALL NOT EXCEED  
20 20% OF THE LESSER OF \$20.00 OR THE HIGHEST MONTHLY FLAT RATE  
21 CHARGED FOR BASIC SERVICE BY A SERVICE SUPPLIER FOR A 1-PARTY ACCESS  
22 LINE.

23 (10) ~~(7) If~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412, IF  
24 the voters approve the charge to be assessed on the service  
25 user's telephone bill on a ballot question under subsection ~~(6)~~  
26 (8), the service provider's bill shall state the following:

27 "This amount is for your 9-1-1 service which has been  
approved by the voters on (DATE OF VOTER APPROVAL). This is not

**SB 1009, As Passed Senate, June 11, 1998**

SB 1009 as amended June 4, 1998

7

1 a charge assessed by your telephone carrier. If you have  
2 questions concerning your 9-1-1 service, you may call (INCLUDE  
3 APPROPRIATE TELEPHONE NUMBER).".

4 (11) ~~(8) An~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412, AN  
5 annual accounting shall be made of the emergency telephone oper-  
6 ational charge approved pursuant to this amendatory act in the  
7 same manner as the annual accounting required by section 405.

8 (12) ~~(9)~~ Except as otherwise provided in subsection ~~(10)~~  
9 (13), OR AS PROVIDED IN SECTIONS 407 TO 412, ~~operational funds~~ THE  
10 EMERGENCY TELEPHONE OPERATIONAL CHARGE  
11 collected pursuant to this section shall be distributed by the  
12 county or the counties to the primary PSAPs by 1 of the following  
13 methods:

13 (a) As provided in the final 9-1-1 service plan.

14 (b) If distribution is not provided for in the plan, then  
15 according to any agreement for distribution between the county  
16 and public agencies.

17 (c) If distribution is not provided in the plan or by agree-  
18 ment, then according to the distribution of access lines within  
19 the primary PSAPs.

20 (13) ~~(10) If~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412, IF  
21 a county had multiple emergency telephone districts before the  
22 effective date of the amendatory act that added this subsection,  
23 then the ~~operational funds~~ EMERGENCY TELEPHONE OPERATIONAL CHARGE  
24 collected pursuant to this section  
25 shall be distributed in proportion to the amount of access lines  
26 within the primary ~~PSAPS~~ PSAPS.

26 (14) ~~(11) This~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412,  
27 THIS section shall not preclude the distribution of funding to

**SB 1009, As Passed Senate, June 11, 1998**

SB 1009 as amended June 4, 1998

8

1 secondary PSAPs if the distribution is determined by the primary  
2 PSAPs within the emergency telephone district to be the most  
3 effective method for dispatching of fire or emergency medical  
4 services and the distribution is approved within the final 9-1-1  
5 service plan.

6 (15) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE  
7 EMERGENCY TELEPHONE TECHNICAL CHARGE AND THE EMERGENCY TELEPHONE  
8 OPERATIONAL CHARGE SHALL NOT BE LEVIED OR COLLECTED AFTER  
9 DECEMBER 31, 2006. HOWEVER, IF ALL OR A PORTION OF THE EMERGENCY  
10 TELEPHONE OPERATIONAL CHARGE HAS BEEN PLEDGED AS SECURITY FOR THE  
11 PAYMENT OF QUALIFIED OBLIGATIONS, THE EMERGENCY TELEPHONE OPER-  
12 ATIONAL CHARGE SHALL BE LEVIED AND COLLECTED ONLY TO THE EXTENT  
13 REQUIRED TO PAY THE QUALIFIED OBLIGATIONS OR SATISFY THE PLEDGE.

14 Sec. 403. ~~Each~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412,  
15 EACH service supplier shall be solely responsible for the billing  
16 for the emergency ~~technical and operational~~ telephone charge and  
17 the transmittal of ~~funds~~ MONEY collected from THE EMERGENCY  
18 TELEPHONE operational  
charges CHARGE.

19 Sec. 404. After commencement of collection of the emergency  
20 telephone charge within a particular 9-1-1 service district, a  
21 service supplier providing or designated to provide 9-1-1 service  
22 pursuant to this act shall not alter the emergency telephone  
23 charge collected from service users within the 9-1-1 service dis-  
24 trict pursuant to this act except as follows:

25 (a) As provided in ~~section~~ SECTIONS 405 AND 407 TO 412.

26 (b) Subject to the limitations provided by section ~~401(2)~~  
27 401(4), if additions or withdrawals of PSAPs or secondary PSAPs

**SB 1009, As Passed Senate, June 11, 1998**

Senate Bill No. 1009

9

1 are made to the 9-1-1 service within a 9-1-1 service district  
2 pursuant to this act, the emergency telephone charge shall be  
3 increased or decreased in an amount such that the total emergency  
4 telephone charges to be collected in such billing period and in  
5 each billing period thereafter shall equal the total cost of pro-  
6 viding 9-1-1 service within the 9-1-1 service district based on  
7 the rates and charges of the service supplier.

8 (c) Subject to the limitations provided by section ~~401(2)~~  
9 401(4), if a public agency is added to or withdraws from a 9-1-1  
10 service district pursuant to this act, the emergency telephone  
11 charge shall be increased or decreased within the jurisdiction of  
12 the particular public agency in an amount such that the total  
13 emergency telephone charges to be collected in such billing  
14 period and in each billing period thereafter shall equal the  
15 total cost of providing 9-1-1 service within the modified 9-1-1  
16 service district based on the rates and charges of the service  
17 supplier.

18 Sec. 405. (1) ~~Within~~ EXCEPT AS PROVIDED IN SECTIONS 407  
19 TO 412, WITHIN 90 days after the first day of the calendar year  
20 following the year in which a service supplier commenced collec-  
21 tion of the emergency telephone charge pursuant to section 401,  
22 and within 90 days after the first day of each calendar year  
23 thereafter, a service supplier providing 9-1-1 service pursuant  
24 to this act shall make an annual accounting to the 9-1-1 service  
25 district of the total emergency telephone charges collected  
26 during the immediately preceding calendar year.

**SB 1009, As Passed Senate, June 11, 1998**

Senate Bill No. 1009

10

1 (2) If an annual accounting made pursuant to subsection (1)  
2 discloses that the total emergency telephone TECHNICAL charges  
3 collected during the immediately preceding calendar year exceeded  
4 the total cost of installing and providing 9-1-1 service within  
5 the 9-1-1 service district for the immediately preceding calendar  
6 year according to the rates and charges of the service supplier,  
7 the service supplier shall adjust the emergency telephone  
8 TECHNICAL charge collected from service users in the 9-1-1 serv-  
9 ice district in an amount computed pursuant to this section. The  
10 amount of the adjustment shall be computed by dividing the excess  
11 by the number of exchange access facilities within the 9-1-1  
12 service district as the district existed for the billing period  
13 immediately following the annual accounting. Costs of the serv-  
14 ice supplier associated with making the adjustment under this  
15 subsection as part of the billing and collection service shall be  
16 deducted from the amount to be adjusted.

17 (3) If the annual accounting discloses that the total emer-  
18 gency telephone charges collected during the calendar year are  
19 less than the total cost of installing and providing 9-1-1 serv-  
20 ice within the 9-1-1 service district for the immediately preced-  
21 ing calendar year according to the costs and rates of the service  
22 supplier, the service supplier shall collect an additional charge  
23 from service users in the 9-1-1 service district in an amount  
24 computed pursuant to this section. Subject to the limitations  
25 provided by section ~~401(2)~~ 401(4), the amount of the additional  
26 charge shall be computed by dividing the amount by which the  
27 total cost exceeded the total emergency telephone charges

**SB 1009, As Passed Senate, June 11, 1998**

SB 1009 as amended June 4, 1998

11

1 collected during the immediately preceding calendar year by the  
2 number of exchange access facilities within the 9-1-1 service  
3 district as the district existed for the billing period immedi-  
4 ately following the annual accounting.

5       Sec. 406. (1) ~~Operational~~ EXCEPT AS PROVIDED IN SECTIONS  
6 407 TO 412, THE EMERGENCY TELEPHONE OPERATIONAL charge funds  
7 collected and expended pur-  
8 suant to this act shall be used exclusively for the operation of  
9 the 9-1-1 system.

10       (2) Each PSAP or secondary PSAP shall assure that fund  
11 accounting, auditing, monitoring, and evaluation procedures are  
12 provided. The accounting procedures shall provide for accurate  
13 and timely recording of receipt and disbursement of funds by  
14 source.

15       (3) An annual audit shall be conducted by an independent  
16 auditor using generally accepted accounting principles and copies  
17 of the annual audit shall be made available for public  
18 inspection.

19       (4) An increase in 9-1-1 OPERATIONAL funds shall not be  
20 authorized or expended for the next fiscal year unless an annual  
21 audit has been performed for the previous fiscal year and expen-  
22 ditures are in compliance with this act. Except as provided in  
23 subsection (5), the PSAP shall continue to operate at the same  
24 funding level as the previous fiscal year until an audit is per-  
25 formed as required by this section.

26       (5) The recurring emergency telephone ~~operating charges~~  
OPERATIONAL CHARGE authorized under section 401 shall not be expended if an audit

**SB 1009, As Passed Senate, June 11, 1998**

Senate Bill No. 1009

12

1 has not been performed as required by this section within 120  
2 days of the end of the fiscal year.

3       Sec. 505. (1) After installation and commencement of opera-  
4 tion of a 9-1-1 system implemented pursuant to this act, a public  
5 agency all or part of which is included within a 9-1-1 service  
6 district may withdraw all or part of its jurisdiction from a  
7 9-1-1 service district effective January 1 of the following year  
8 if all of the following occur:

9       (a) The public agency, after giving notice required in sub-  
10 divisions (b) and (c), conducts a public hearing on the with-  
11 drawal at which all persons attending are afforded a reasonable  
12 opportunity to be heard.

13       (b) Written notice of the time, date, and place of the  
14 public hearing conducted by the public agency is given to the  
15 county clerk and the clerk of each public agency within the 9-1-1  
16 service district, at least 30 days prior to the date of the  
17 hearing.

18       (c) Notice of the time, date, place, and purpose of the  
19 public hearing is published twice in a newspaper of general cir-  
20 culation within the public agency, the first publication of the  
21 notice occurring at least 30 days prior to the date of the  
22 hearing.

23       (d) After the public hearing on withdrawal but prior to 90  
24 days before the end of the calendar year, the legislative body of  
25 the public agency adopts a resolution withdrawing all or part of  
26 the area of the public agency from the 9-1-1 service district.  
27 Such resolution shall describe the area of the public agency

**SB 1009, As Passed Senate, June 11, 1998**

Senate Bill No. 1009

13

1 withdrawing from the 9-1-1 service district. The resolution  
2 shall also state the emergency telephone number to be used within  
3 the jurisdiction of the public agency following withdrawal from  
4 the 9-1-1 service district.

5 (e) Within 5 days after adoption of the resolution by the  
6 legislative body of the public agency, the clerk or other appro-  
7 priate official of the public agency shall forward such resolu-  
8 tion by certified mail, return receipt requested, to the county  
9 clerk. Within 5 days of receipt of a certified copy of the reso-  
10 lution adopted pursuant to this section, the county clerk shall  
11 forward such resolution by certified mail, return receipt  
12 requested, to the service suppliers providing or designated to  
13 provide 9-1-1 service to the area of the public agency withdraw-  
14 ing from the 9-1-1 service district.

15 (2) A PUBLIC SERVICE AGENCY MAY NOT WITHDRAW ANY PART OF ITS  
16 JURISDICTION FROM A 9-1-1 SERVICE DISTRICT UNTIL ALL OUTSTANDING  
17 QUALIFIED OBLIGATIONS SECURED BY EMERGENCY TELEPHONE OPERATIONAL  
18 CHARGES INCURRED AFTER THE TIME OF THE ADDITION OF THE PUBLIC  
19 SERVICE AGENCY TO THE 9-1-1 SERVICE AREA AGREED TO BY THE WITH-  
20 DRAWING PUBLIC SERVICE AGENCY AND THE REMAINING PUBLIC SERVICE  
21 AGENCIES COMPRISING THE 9-1-1 SERVICE DISTRICT ARE PAID OR OTHER  
22 PROVISIONS ARE MADE TO PAY THE QUALIFIED OBLIGATIONS.

23 Enacting section 1. This amendatory act does not take  
24 effect unless all of the following bills of the 89th Legislature  
25 are enacted into law:

26 (a) Senate Bill No. 1010.

**SB 1009, As Passed Senate, June 11, 1998**

Senate Bill No. 1009

14

- 1 (b) House Bill No. 5289.
- 2 (c) House Bill No. 5653.