

SENATE BILL NO. 1009

March 11, 1998, Introduced by Senator DINGELL and referred to the Committee on Judiciary.

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 THE HOLDERS OF BONDS OR NOTES TO BE

1 ISSUED BY THE PUBLIC AGENCY UNDER A LAW OF THIS STATE, THE
2 PROCEEDS OF WHICH BENEFIT THE 9-1-1 DISTRICT.

3 (B) PROVIDES FOR PAYMENT DIRECTLY TO THE PUBLIC ENTITY ISSU-
4 ING BONDS OR NOTES FOR THE BENEFIT OF THE 9-1-1 SERVICE DISTRICT
5 OF A PORTION OF TELEPHONE OPERATING CHARGES SUFFICIENT TO PAY
6 WHEN DUE PRINCIPAL OF AND INTEREST ON BONDS OR NOTES DESCRIBED IN
7 SUBDIVISION (A).

8 (2) A PLEDGE, ASSIGNMENT, LIEN, OR SECURITY INTEREST FOR THE
9 BENEFIT OF THE HOLDERS OF BONDS OR NOTES DESCRIBED IN SUBSECTION
10 (1) IS VALID AND BINDING FROM THE TIME THE BONDS OR NOTES ARE
11 ISSUED WITHOUT A PHYSICAL DELIVERY OR FURTHER ACT. A PLEDGE,
12 ASSIGNMENT, LIEN, OR SECURITY INTEREST IS VALID AND BINDING AND
13 HAS PRIORITY OVER ANY OTHER CLAIM AGAINST THE EMERGENCY TELEPHONE
14 DISTRICT BOARD, THE 9-1-1 SERVICE DISTRICT, OR ANY OTHER PERSON
15 WITH OR WITHOUT NOTICE OF THE PLEDGE, ASSIGNMENT, LIEN, OR SECUR-
16 ITY INTEREST.

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

1 billing costs shall begin as soon as feasible after installation
2 and operation of the 9-1-1 system. The emergency telephone tech-
3 nical charge and emergency telephone operational charge shall be
4 uniform per each exchange access facility within the 9-1-1 serv-
5 ice district. The portion of the emergency telephone technical
6 charge that represents start-up costs, nonrecurring billing,
7 installation, service, and equipment charges of the service sup-
8 plier, including the costs of updating equipment necessary for
9 conversion to 9-1-1 service, shall be amortized at the prime rate
10 plus 1% over a period not to exceed 10 years and shall be billed
11 and collected from all service users only until those amounts are
12 fully recouped by the service supplier. The prime rate to be
13 used for amortization shall be set before the first assessment of
14 nonrecurring charges and remain at that rate for 5 years, at
15 which time a new rate may be set for the remaining amortization
16 period. Recurring costs and charges included in the emergency
17 telephone technical charge and emergency telephone operational
18 charge shall continue to be billed to the service user.

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

1 (5) ~~(3)~~ Except as provided in subsection ~~(5)~~ (7) AND
2 SECTIONS 407 TO 412, the amount of emergency telephone technical
3 charge payable monthly by a service user for recurring costs and
4 charges shall not exceed 2% of the ~~highest monthly flat rate~~
5 ~~charged by a service supplier for a 1-party access line~~ LESSER
6 OF \$20.00 OR THE HIGHEST MONTHLY RATE CHARGED BY THE SERVICE SUP-
7 PLIER FOR BASIC LOCAL EXCHANGE SERVICE PURSUANT TO SECTION 304B
8 OF THE MICHIGAN TELECOMMUNICATIONS ACT, 1991 PA 179, MCL
9 484.2304B, within the 9-1-1 service district. The amount of
10 emergency telephone technical charge payable monthly by a service
11 user for nonrecurring costs and charges shall not exceed 5% of
12 the ~~highest monthly flat rate charged by the service supplier~~
13 ~~for a 1-party access line~~ LESSER OF \$20.00 OR THE HIGHEST
14 MONTHLY RATE CHARGED BY THE SERVICE SUPPLIER FOR BASIC LOCAL
15 EXCHANGE SERVICE PURSUANT TO SECTION 304B OF THE MICHIGAN TELE-
16 COMMUNICATIONS ACT, 1991 PA 179, MCL 484.2304B, within the 9-1-1
17 service district. With the approval of the county board of com-
18 missioners, a county may assess an amount for recurring emergency
19 telephone operational costs and charges that shall not exceed 4%
20 of the ~~highest monthly flat rate charged by a service supplier~~
21 ~~for a 1-party access line~~ LESSER OF \$20.00 OR THE HIGHEST
22 MONTHLY RATE CHARGED BY THE SERVICE SUPPLIER FOR BASIC LOCAL
23 EXCHANGE SERVICE PURSUANT TO SECTION 304B OF THE MICHIGAN TELE-
24 COMMUNICATIONS ACT, 1991 PA 179, MCL 484.2304B, within the geo-
25 graphical boundaries of the assessing county. The percentage to
26 be set for the emergency telephone operational charge shall be
27 established by the county board of commissioners pursuant to

1 section 312. The difference, if any, between the amount of the
2 emergency telephone technical charge computed under subsection
3 ~~(2)~~ (4) and the maximum permitted under this section shall be
4 paid by the county from funds available to the county or through
5 cooperative arrangements with public agencies within the 9-1-1
6 service district.

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

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

1 (8) ~~(6) A~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412, A
2 county may, with the approval of the voters in the county, assess
3 up to 16% of the ~~highest monthly flat rate charged by a service~~
4 ~~supplier for a 1-party access line~~ LESSER OF \$20.00 OR THE HIGH-
5 EST MONTHLY RATE CHARGED BY THE SERVICE SUPPLIER FOR BASIC LOCAL
6 EXCHANGE SERVICE PURSUANT TO SECTION 304B OF THE MICHIGAN TELE-
7 COMMUNICATIONS ACT, 1991 PA 179, MCL 484.2304B, within the geo-
8 graphical boundaries of the assessing county or assess a millage
9 or combination of the 2 to cover emergency telephone operational
10 costs. In a ballot question under this subsection, the board of
11 commissioners shall specifically identify how the collected money
12 is to be distributed. An affirmative vote on a ballot question
13 under this subsection shall be considered an amendment to the
14 9-1-1 service plan pursuant to section 312. Not more than 1
15 ballot question under this subsection may be submitted to the
16 voters within any 12-month period. ~~and an~~ AN assessment
17 approved under this subsection shall be for a period not greater
18 than 5 years UNLESS THE PERIOD SPECIFIED IN THE BALLOT QUESTION
19 FOR WHICH THE OUTSTANDING FIXED ASSET OBLIGATIONS ARE PAYABLE IS
20 GREATER.

21 (9) THE TOTAL COMBINATION OF EMERGENCY TELEPHONE OPERATIONAL
22 CHARGES AS PRESCRIBED IN SUBSECTIONS (5) AND (8) SHALL NOT EXCEED
23 20% OF THE HIGHEST MONTHLY FLAT RATE CHARGED BY A SERVICE SUP-
24 PLIER FOR A 1-PARTY ACCESS LINE.

25 (10) ~~(7) if~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412, IF
26 the voters approve the charge to be assessed on the service

1 user's telephone bill on a ballot question under subsection ~~(6)~~
 2 (8), the service provider's bill shall state the following:

3 "This amount is for your 9-1-1 service which has been
 4 approved by the voters on (DATE OF VOTER APPROVAL). This is not
 5 a charge assessed by your telephone carrier. If you have ques-
 6 tions concerning your 9-1-1 service, you may call (INCLUDE
 7 APPROPRIATE TELEPHONE NUMBER)."

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

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

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

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

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

24 (13) ~~(10) If~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412, IF
 25 a county had multiple emergency telephone districts before the
 26 effective date of the amendatory act that added this subsection,
 27 then the operational funds collected pursuant to this section

1 shall be distributed in proportion to the amount of access lines
2 within the primary ~~PSAPS~~ PSAPS.

3 (14) ~~(11) This~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412,
4 THIS section shall not preclude the distribution of funding to
5 secondary PSAPs if the distribution is determined by the primary
6 PSAPs within the emergency telephone district to be the most
7 effective method for dispatching of fire or emergency medical
8 services and the distribution is approved within the final 9-1-1
9 service plan.

10 Sec. 403. ~~Each~~ EXCEPT AS PROVIDED IN SECTIONS 407 TO 412,
11 EACH service supplier shall be solely responsible for the billing
12 for the emergency technical and operational telephone charge and
13 the transmittal of ~~funds~~ MONEY collected from operational
14 charges.

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

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

22 (b) Subject to the limitations provided by section ~~401(2)~~
23 401(4), if additions or withdrawals of PSAPs or secondary PSAPs
24 are made to the 9-1-1 service within a 9-1-1 service district
25 pursuant to this act, the emergency telephone charge shall be
26 increased or decreased in an amount such that the total emergency
27 telephone charges to be collected in such billing period and in

1 each billing period thereafter shall equal the total cost of
2 providing 9-1-1 service within the 9-1-1 service district based
3 on the rates and charges of the service supplier.

4 (c) Subject to the limitations provided by section ~~401(2)~~
5 401(4), if a public agency is added to or withdraws from a 9-1-1
6 service district pursuant to this act, the emergency telephone
7 charge shall be increased or decreased within the jurisdiction of
8 the particular public agency in an amount such that the total
9 emergency telephone charges to be collected in such billing
10 period and in each billing period thereafter shall equal the
11 total cost of providing 9-1-1 service within the modified 9-1-1
12 service district based on the rates and charges of the service
13 supplier.

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

23 (2) If an annual accounting made pursuant to subsection (1)
24 discloses that the total emergency telephone TECHNICAL charges
25 collected during the immediately preceding calendar year exceeded
26 the total cost of installing and providing 9-1-1 service within
27 the 9-1-1 service district for the immediately preceding calendar

1 year according to the rates and charges of the service supplier,
2 the service supplier shall adjust the emergency telephone
3 TECHNICAL charge collected from service users in the 9-1-1 serv-
4 ice district in an amount computed pursuant to this section. The
5 amount of the adjustment shall be computed by dividing the excess
6 by the number of exchange access facilities within the 9-1-1
7 service district as the district existed for the billing period
8 immediately following the annual accounting. Costs of the serv-
9 ice supplier associated with making the adjustment under this
10 subsection as part of the billing and collection service shall be
11 deducted from the amount to be adjusted.

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

1 Sec. 406. (1) ~~Operational~~ EXCEPT AS PROVIDED IN SECTIONS
2 407 TO 412, OPERATIONAL charge funds collected and expended
3 pursuant to this act shall be used exclusively for the operation
4 of the 9-1-1 system.

5 (2) Each PSAP or secondary PSAP shall assure that fund
6 accounting, auditing, monitoring, and evaluation procedures are
7 provided. The accounting procedures shall provide for accurate
8 and timely recording of receipt and disbursement of funds by
9 source.

10 (3) An annual audit shall be conducted by an independent
11 auditor using generally accepted accounting principles and copies
12 of the annual audit shall be made available for public
13 inspection.

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

21 (5) The recurring emergency telephone operating charges
22 authorized under section 401 shall not be expended if an audit
23 has not been performed as required by this section within 120
24 days of the end of the fiscal year.

25 Sec. 505. (1) After installation and commencement of opera-
26 tion of a 9-1-1 system implemented pursuant to this act, a public
27 agency all or part of which is included within a 9-1-1 service

1 district may withdraw all or part of its jurisdiction from a
2 9-1-1 service district effective January 1 of the following year
3 if all of the following occur:

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

8 (b) Written notice of the time, date, and place of the
9 public hearing conducted by the public agency is given to the
10 county clerk and the clerk of each public agency within the 9-1-1
11 service district, at least 30 days prior to the date of the
12 hearing.

13 (c) Notice of the time, date, place, and purpose of the
14 public hearing is published twice in a newspaper of general cir-
15 culation within the public agency, the first publication of the
16 notice occurring at least 30 days prior to the date of the
17 hearing.

18 (d) After the public hearing on withdrawal but prior to 90
19 days before the end of the calendar year, the legislative body of
20 the public agency adopts a resolution withdrawing all or part of
21 the area of the public agency from the 9-1-1 service district.
22 Such resolution shall describe the area of the public agency
23 withdrawing from the 9-1-1 service district. The resolution
24 shall also state the emergency telephone number to be used within
25 the jurisdiction of the public agency following withdrawal from
26 the 9-1-1 service district.

1 (e) Within 5 days after adoption of the resolution by the
2 legislative body of the public agency, the clerk or other
3 appropriate official of the public agency shall forward such res-
4 olution by certified mail, return receipt requested, to the
5 county clerk. Within 5 days of receipt of a certified copy of
6 the resolution adopted pursuant to this section, the county clerk
7 shall forward such resolution by certified mail, return receipt
8 requested, to the service suppliers providing or designated to
9 provide 9-1-1 service to the area of the public agency withdraw-
10 ing from the 9-1-1 service district.

11 (2) A PUBLIC SERVICE AGENCY MAY NOT WITHDRAW ANY PART OF ITS
12 JURISDICTION FROM A 9-1-1 SERVICE DISTRICT UNTIL ALL OUTSTANDING
13 OBLIGATIONS SECURED BY EMERGENCY TELEPHONE OPERATING CHARGES
14 INCURRED AFTER THE TIME OF THE ADDITION OF THE PUBLIC SERVICE
15 AGENCY TO THE 9-1-1 SERVICE AREA AGREED TO BY THE WITHDRAWING
16 PUBLIC SERVICE AGENCY AND THE REMAINING PUBLIC SERVICE AGENCIES
17 COMPRISING THE 9-1-1 SERVICE DISTRICT ARE PAID OR OTHER PROVI-
18 SIONS ARE MADE TO PAY THE OBLIGATIONS.

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

22 (a) Senate Bill No. 1010.

23

24 (b) Senate Bill No. _____ or House Bill No. _____
25 (request no. 05646'98).

26 (c) House Bill No. 5289.