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**SFA**



**BILL ANALYSIS**

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Senate Bills 492 and 493 (as introduced 4-13-99)  
Sponsor: Senator William Van Regenmorter (Senate Bill 492)  
Senator Mike Goschka (Senate Bill 493)  
Committee: Technology and Energy

Date Completed: 5-12-99

## CONTENT

**The bills would amend the Emergency Telephone Service Enabling Act to do all of the following:**

- **Authorize various types of entities that govern local 9-1-1 districts to pledge revenues for the repayment of qualified obligations.**
- **Prohibit a public service agency from withdrawing its jurisdiction from a 9-1-1 service district until outstanding qualified obligations were paid.**
- **Require a supplier of telephone services, other than a commercial mobile radio service (CMRS) supplier, to provide to a 9-1-1 database service provider accurate information pertaining to service users, and to provide the information within one business day.**
- **Require a CMRS supplier to provide accurate database information for location and number identification, in compliance with a Federal Communications Commission (FCC) wireless emergency service order.**
- **Revise certain user fees for 9-1-1 services.**
- **Require the Emergency Telephone Service Committee to provide technical assistance in formulating and implementing a 9-1-1 service plan.**
- **Require a CMRS supplier, county, public agency, or public service agency that had a dispute with another of those entities, to request assistance from the Committee.**
- **Provide that it would be a misdemeanor knowingly to use or attempt to use an emergency telephone service for a nonemergency purpose.**

The bills are tie-barred to each other and to House Bills 4658 and 4659. (House Bill 4658 would create the CMRS Emergency Telephone Fund to provide money to implement the automatic number identification capabilities of PSAPs. The bill would allow CMRS suppliers to include a monthly service charge of 47 cents for each CMRS connection with

a billing address in this State. Revenue collected from the charge would have to be deposited in the Fund and distributed as provided in the bill. House Bill 4659 would reenact provisions creating the Emergency Telephone Service Committee, which were repealed on December 31, 1998.)

Senate Bill 492 would take effect 120 days after its enactment, and could not be construed to affect any cause of action pending in any court of this State before the bill's effective date.

### Senate Bill 492

#### Supplier Requirements

A service supplier, other than a commercial mobile radio service supplier, would have to provide to a 9-1-1 database service provider accurate database information, including the name, service location, and telephone number of each user. The information would have to be provided in a format established and distributed by that database service provider. The information would have to be provided within one business day after the initiation of service or the processing of a service order change or within one business day after the receipt of database information from a service supplier or service district. The bill would require a CMRS supplier to provide to a 9-1-1 database service provider accurate database information for automatic location identification (ALI) and automatic number identification (ANI), in compliance with the FCC's wireless emergency service order.

A service district would have to notify the service supplier or the database provider within one business day of any address coming to the service district's attention that did not match the master street address guide.

"Service supplier" currently means a provider of telephone service to a service user in Michigan. The bill would add a CMRS provider to this definition. "Database service provider" would mean a service supplier that maintained and supplied or contracted to maintain and supply an automatic location

identification database or a master street address guide. ("Automatic location identification" currently means a 9-1-1 service feature that automatically provides to the 9-1-1 PSAP the name and/or location associated with the calling party's telephone number. "Automatic number identification" means a 9-1-1 service feature that automatically provides to the 9-1-1 PSAP the calling party's billing telephone number.)

"Commercial mobile radio service" would mean a commercial mobile radio service regulated under Section 3 of Title I and Section 332 of Title III of the Federal Communications Act (47 USC 153 & 332) and the rules of the FCC, or provided pursuant to the wireless emergency service order of the FCC (adopted June 12, 1996, and effective October 1, 1996). The term would include all of the following:

- A wireless two-way communication device, including a radio telephone used in cellular telephone service or personal communication service.
- A functional equivalent of a radio telephone communications line used in cellular telephone service or personal communication service.
- A network radio access line.

"Master street address guide" would mean a perpetual database containing information continuously provided by a service district that defined the geographic area of the service district and included an alphabetical list of street names, the range of address numbers on each street, the name of each community in the district, the emergency service number of each service user, and the primary PSAP identification codes. "Emergency service number" would mean the number assigned by a county to each exchange access facility that identified which emergency response service would be responsible for responding to the address of that exchange access facility's premises. (The Act defines "exchange access facility" as the access from a particular service user's premises to the telephone system.)

#### Technical Assistance and Dispute Resolution

Upon the request of a CMRS supplier, county, public agency, or public service agency, the Emergency Telephone Service Committee (in the Department of State Police) would have to provide technical assistance in formulating and implementing a 9-1-1 service plan, to the extent possible. The Committee also would have to provide assistance in resolving a dispute between or among a CMRS supplier, county, public agency, or public service agency regarding their respective rights and duties under the Act.

A CMRS supplier, county, public agency, or public service agency, or a combination of those entities,

that had a dispute with another of those entities, arising from the formulation or implementation, or both, of a 9-1-1 service plan, would have to request assistance from the Emergency Telephone Service Committee in resolving the dispute.

#### Criminal Offense

The bill would prohibit the use of an emergency telephone service or an emergency CMRS authorized by the Act for any reason other than to call for an emergency response service from a primary public safety answering point. A person who knowingly used or attempted to use an emergency response service for an unauthorized purpose would be guilty of a misdemeanor, punishable by up to 93 days' imprisonment, a maximum fine of \$1,000, or both. A second or subsequent violation would be a felony, punishable by up to two years' imprisonment, a maximum fine of \$2,000, or both.

These provisions would not apply to a person who called a PSAP to report a crime or seek assistance that was not an emergency unless the call were repeated after the person was told to call a different number.

### **Senate Bill 493**

#### **Qualified Obligations**

Under the bill, an emergency telephone district board, a 9-1-1 service district, or a county on behalf of a 9-1-1 service area created by the county, could enter into an agreement with a public agency to do either of the following:

- Grant a specific pledge or assignment of a lien on, or a security interest in, any money received by a 9-1-1 service district for the benefit of "qualified obligations".
- Provide for payment directly to the public entity issuing qualified obligations of a portion of the emergency telephone operational charge sufficient to pay, when due, principal of and interest on qualified obligations.

A pledge, assignment, lien, or security interest for the benefit of qualified obligations would be valid and binding from the time they were issued, without a physical delivery or further act. A pledge, assignment, lien, or security interest would be valid and binding and have priority over any other claim against the emergency telephone district board, the 9-1-1 service district, or any other person with or without notice of the pledge, assignment, lien, or security interest.

(Senate Bill 492 would define "obligations" as bonds, notes, installment purchase contracts, or lease purchase agreements to be issued by a public agency under a Michigan law. "Qualified obligations" would mean obligations whose proceeds benefitted the 9-1-1 district and for which all of the following conditions were met:

- The proceeds were used for capital expenditures, costs of a reserve fund securing the obligations, and costs of issuance. The proceeds could not be used for operational expenses.
- The weighted average maturity of the obligations did not exceed the useful life of the capital assets.
- The obligations could not in whole or in part appreciate in principal amount or be sold at a discount of more than 10%.

Qualified obligations also would include obligations issued to refund obligations that met the conditions described above. The net present value of the principal and interest to be paid on the refunding

obligations would have to be less than the net present value of the principal and interest to be paid on the obligations being refunded.)

#### **User Fees**

The Act specifies that the amount of emergency telephone technical charge payable monthly by a service user for recurring costs and charges may not exceed 2% of the highest monthly flat rate charged by a service supplier for a one-party access line. Under the bill, that fee could not exceed 2% of the lesser of \$20 or the highest monthly rate charged by the service supplier for basic local exchange service.

For a 9-1-1 service district created or enhanced after June 27, 1991, the technical charge for recurring costs and charges may not exceed 4% of the highest monthly flat rate charged by the service supplier for a one-party access line. Under the bill, that fee could not exceed 4% of the lesser of \$20 or the highest monthly rate charged by the service supplier for basic local exchange service.

Currently, the amount of emergency telephone technical charge payable monthly by a service user for nonrecurring costs and charges may not exceed 5% of the highest monthly flat rate charged by the service supplier for a one-party access line. Under the bill, that fee could not exceed 5% of the lesser of \$20 or the highest monthly rate charged by the service supplier for basic local exchange service.

Currently, with the approval of the county board of commissioners, a county may assess an amount for recurring emergency telephone operational costs and charges that may not exceed 4% of the highest monthly flat rate charged by a service supplier for a one-party access line. Under the bill, that fee could not exceed 4% of the lesser of \$20 or the highest monthly rate charged by the service supplier for basic local exchange service. The Act provides that the percentage to be set for the operational charge must be established by the county board of commissioners. The bill would add that a change to that percentage could be made only by the county board of commissioners.

Under the Act, a county may, with the approval of the county's voters, assess up to 16% of the highest monthly flat rate charged by a service supplier for a one-party access line, to cover emergency telephone operational costs. Under the bill, that fee could not exceed 16% of the lesser of \$20 or the highest monthly rate charged by the service supplier for basic local exchange service.

The bill also specifies that the total emergency telephone operational charge could not exceed 20% of the lesser of \$20 or the highest monthly flat rate charged for basic service by a service supplier for a

one-party access line.

The bill provides that, notwithstanding any other provision of the Act, the emergency telephone technical charge and the emergency telephone operational charge could not be levied or collected after December 31, 2006. If all or part of the operational charge, however, had been pledged as security for the payment of qualified obligations, the operational charge could be levied and collected only to the extent required to pay the obligations or satisfy the pledge.

#### Jurisdictional Withdrawal

Under the bill, a public service agency could not withdraw any part of its jurisdiction from a 9-1-1 service district until all outstanding qualified obligations secured by emergency telephone operational charges incurred after the agency was added to the 9-1-1 service area and agreed to by the withdrawing agency and the remainder of the 9-1-1 service district, were paid or other provisions were made to pay the obligations.

MCL 484.1102 et al. (S.B. 492)  
484.1401 et al. (S.B. 493)

Legislative Analyst: S. Lowe

## **FISCAL IMPACT**

### **Senate Bill 492**

The bill would require local 9-1-1 authorities to take on additional duties and responsibilities. These costs would be paid for by revenue generated under a House bill to which this bill is tie-barred.

The bill also would provide for imprisonment and a fine for unauthorized use of a 9-1-1 system, which would potentially increase costs for incarceration or receipt of fine revenue. There are no available data that indicate how many people could be convicted of unauthorized use of an emergency response service or how many repeat offenders could be convicted under the provisions of the bill. Incarceration costs for local jails vary by county between \$27 and \$65 per day, and incarceration in a State facility costs on average \$22,000 per year. According to the Constitution, all penal fines must be used for support of public libraries.

### **Senate Bill 493**

The bill would make it easier for local governments to borrow funds to make capital improvements for their 9-1-1 service district.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.