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House Bill 4439 (Substitute S-1 as reported)
Sponsor: Representative Ken Bradstreet
House Committee: Energy and Technology
Senate Committee: Technology and Energy

CONTENT

The bill would amend the Emergency Telephone Service Enabling Act to do the following:

- Delete a January 1, 2004, sunset on the monthly service fee that a commercial mobile radio service (CMRS) supplier or retailer must charge and deposit into the CMRS Emergency Telephone Fund.
- Allow a CMRS supplier to seek reimbursement from Fund for equipment costs incurred in implementing the Wireless Emergency Service Order and the Act.
- Require a CMRS supplier that sought reimbursement to lower the service charge from 52 cents to 29 cents per month after December 31, 2005; and require a CMRS supplier that did not seek reimbursement to impose the lower charge immediately.
- Require counties to comply with the Order by specific dates in order to receive Fund money.
- Allow the Michigan State Police to receive money from the Fund for costs to administer the Act or to operate a regional dispatch center.
- Require the Michigan Public Service Commission to establish the costs that a local exchange provider could recover in terms of the costs related to the Order.

(The Wireless Emergency Service Order, issued by the Federal Communications Commission in 1996, requires local exchange carriers to provide all customers with enhanced 9-1-1 service, which provides for the identification of a caller's location and telephone number.)

MCL 484.1408 et al.

Legislative Analyst: Julie Koval

FISCAL IMPACT

The revenue from the 52-cent service charge under the current Act has generated over \$88.0 million since FY 1999-2000. For FY 2002-03, approximately \$28.0 million was generated for the following designated areas under the Act:

<u>Charge</u>	<u>Designation</u>	<u>FY 2002-03 Revenue</u>
25.5 cents	CMRS Suppliers	\$13.8 million
10.0 cents	CMRS County-Equal	\$5.4 million
15.0 cents	CMRS County-Per Capita	\$8.0 million
1.5 cents	CMRS PSAP (public safety answering point)	\$0.8 million

Under the bill, CMRS suppliers that opted out of State reimbursement for their cost could charge only a 29-cent service fee. The same reduction for those CMRS suppliers that chose State reimbursement would be required after 2005. The counties and the CMRS PSAP would continue to receive the designated money as under the current 52-cent service charge, but the money also could be used to support costs incurred by the Michigan State Police and CMRS suppliers.

Date Completed: 12-5-03

Fiscal Analyst: Bruce Baker