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Senate Bill 410 (Substitute S-3 as passed by the Senate) Senate Bill 411 (Substitute S-3 as passed by the Senate)

Sponsor: Senator Cameron S. Brown (S.B. 410) Senator Raymond E. Basham (S.B. 411)

Committee: Energy Policy and Public Utilities

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#### **RATIONALE**

The Emergency Telephone Service Enabling Act was enacted in 1986 to facilitate the statewide development of the 9-1-1 system. The Act set up a process for county boards of commissioners to establish local 9-1-1 and for "service suppliers" (telephone companies, or carriers) to pass on to their subscribers part of the suppliers' technical charges. Subsequent amendments allow service suppliers to also emergency telephone operational charges. In addition, counties may assess a charge or millage to cover emergency telephone operational costs, with voter approval.

In the late 1990s, some people raised concerns about disparities in 9-1-1 funding due to the emergence of new technologies. As more people abandoned landlines in favor of cellular phones, which were not subject to the surcharges, the revenue available to fund 9-1-1 systems declined significantly. In 1999, legislation amended the Act to authorize the assessment of 9-1-1 surcharges on wireless customers. Since that time, some wireless providers have begun offering prepaid plans with no Customers using this type of contracts. service fall outside the scope of the Act's language regarding the assessment of 9-1-1 surcharges. Additionally, consumers choosing internet-based telephone service (voice over internet protocol, or VOIP) also are not subject to 9-1-1 surcharges. In response to these concerns, Public Act 249 of 2006 required the State 9-1-1 Director to submit to the Legislature recommendations for long-term funding of the 9-1-1 system. The Director prepared a report (described below, under **BACKGROUND**), which was adopted by the Emergency Telephone Service Committee (ETSC) and submitted to the Legislature in November 2006. The Committee's recommendations include the replacement of the current funding system with a two-tiered system that would apply to all communication methods capable of gaining access to 9-1-1 service. It has been suggested that the recommendations be enacted. Also, since the enabling Act is scheduled to expire at the end of 2007, it has been suggested that the sunset be delayed.

# **CONTENT**

<u>Senate Bill 410 (S-3)</u> would amend the Emergency Telephone Service Enabling Act to do the following:

- -- Change the name of the Act to the "Emergency 9-1-1 Service Enabling Act".
- -- Refer to "emergency 9-1-1 service", rather than "emergency telephone service".
- Prohibit an emergency 9-1-1 service system from being implemented except as provided under the Act.
- -- Require each service supplier in the State to give each of its service users access to the 9-1-1 system.
- -- Include in the definition of "service supplier" all modes of telecommunication with 9-1-1 capabilities.
- -- Require, rather than permit, a board of county commissioners to modify an existing 9-1-1 service or the scope or method of financing it.

Page 1 of 17 sb410&411/0708

- -- Establish a December 31, 2007, sunset on provisions related to the emergency telephone technical charge and the emergency telephone operational charge, but reenact provisions for a technical charge.
- -- Establish a monthly 19-cent State 9-1-1 charge effective January 1, 2008, and provide for adjustments to it.
- -- Require each service supplier to bill and collect the State 9-1-1 charge.
- -- Require the amount collected from the State 9-1-1 charge to be deposited in the "Emergency 9-1-1 Fund" (currently the CMRS Emergency Telephone Fund).
- -- Allow a county board of commissioners, beginning January 1, 2008, to assess a county 9-1-1 charge by resolution, millage, or with voter approval; and refer to this charge, rather than the emergency telephone operational charge.
- -- Allow a service supplier to retain 2% of the county 9-1-1 charge to cover the cost of billing and collections.
- -- Beginning January 1, 2008, require each CMRS supplier or reseller to collect an emergency 9-1-1 charge from each of its prepaid customers, and require the money to be deposited in the Emergency 9-1-1 Fund.
- -- Require the Public Service Commission (PSC), in consultation with the Emergency 9-1-1 Service Committee (currently the Emergency Telephone Service Committee), to establish the amount of the charge annually, until 2011.
- -- Require the Legislature to make any adjustments to the State 9-1-1 charge, beginning in 2011.

# <u>Senate Bill 411 (S-3)</u> would amend the Act to do the following:

- -- Delay the Act's sunset from December 31, 2007, until December 31, 2011.
- -- Prohibit a service supplier from altering the State or county 9-1-1 charge except as provided in the Act.
- -- Allow the PSC to promulgate rules requiring each service user with a multiline telephone system to install by December 31, 2011, equipment and software to provide specific location information of a 9-1-1 call.

- -- Allow the PSC to promulgate rules establishing the standard for county certification of the receipt and expenditures of 9-1-1 funds.
- -- Require the PSC to consult with the Committee in promulgating rules.
- -- Provide that the receipt of 9-1-1 funds would depend on compliance with the standards established by the PSC.
- Eliminate a requirement that Fund money be appropriated in order for the Department of Treasury to spend it.
- -- Delete a requirement that a CMRS supplier or reseller impose a monthly service charge of 52 cents for each Michigan CMRS connection.
- -- Beginning January 1, 2008, require all service suppliers to include a monthly State 9-1-1 service charge (as established under Senate Bill 410 (S-3)) on service users' bills.
- -- Allow a service supplier to retain 2% of the State 9-1-1 charge for the costs of billing and collection.
- -- Delete a provision allowing a CMRS supplier or reseller to retain half of one cent of each service charge to cover billing and collection costs.
- -- Delete provisions allowing a CMRS supplier to seek reimbursement from the Fund for the costs of implementing the Wireless Emergency Service Order and the Act.
- -- Revise the distribution of money from the Emergency 9-1-1 Fund, and earmark funds to study the feasibility of an IP-based 9-1-1 system.
- -- Allow the PSC to promulgate rules establishing training standards for 9-1-1 personnel.
- -- Delete provisions under which a county that was not compliant with the Order by specified deadlines is ineligible for disbursements from the Fund.
- -- Require the Committee to report to the Legislature annually on the 9-1-1 system in Michigan and on the State and county 9-1-1 charges.
- -- Require the Committee to develop a voluntary informal process for resolving disputes arising from the formulation, implementation, and delivery of 9-1-1 services.

# -- Increase the criminal penalties for improper use of an emergency 9-1-1 service.

The bills are tie-barred to each other. They are described below in further detail.

#### Senate Bill 410 (S-3)

#### Emergency 9-1-1 Service System

Currently, except as otherwise provided, a universal emergency number service system may not be implemented under the Act unless a tariff exists for each service supplier designated by the final 9-1-1 service plan to provide 9-1-1 service in the universal emergency number system. The bill instead would prohibit an emergency 9-1-1 service system from being implemented except as provided under the Act.

("Service supplier" currently means a person providing a telephone service or commercial mobile radio service (CMRS) to a service user in Michigan. Under the bill, the term mean a person providing communication service to a service user in Michigan. "Communication service" would mean a service capable of gaining access to, connecting with, or interfacing with a 9-1-1 system by dialing, initializing, or otherwise activating the 9-1-1 system through the numerals 9-1-1 by means of a local telephone device, cellular telephone device, wireless communication device, voice over the internet device, or any other means.

"Service user" currently means an exchange access facility or CMRS service customer of a service supplier within a 9-1-1 system. Under the bill, the term would mean a person receiving a communication service. "Exchange access facility" currently means the access from a particular service user's premises to the telephone system, including service supplier provided access lines, PBX trunks, and Centrex line trunk equivalents, all as defined by tariffs of the service suppliers as approved by the Public Service Commission. The term does not include telephone pay station lines or WATS, FX, or incoming only lines. The bill would refer to a communication service, rather than telephone system.)

The bill would authorize one or more counties to create an emergency 9-1-1 service system under the Act. Also, in a

county with a population of at least 1.8 million, with the approval of the county board of commissioners, four or more cities could create an emergency 9-1-1 service district. (Senate Bill 411 (S-3) would repeal similar existing provisions. Under the current provision applying to four or more cities, the county population must be at least 2.0 million.) (A 9-1-1 service district or emergency telephone district is the area in which 9-1-1 service is provided or is planned to be provided to service users under a 9-1-1 system implemented under The bill would refer to an the Act. emergency 9-1-1 district, rather than an emergency telephone district.)

The bill would require each service supplier in the State to give each of its service users access to the 9-1-1 system. Each service supplier also would have to give the Emergency 9-1-1 Service Committee contact information to allow for notifications as required under the Act.

#### Modification

Currently, if all or part of a county is operating an existing emergency telephone service, the county board of commissioners may modify the existing service or alter the scope or method of financing of 9-1-1 service within all or part of the county by establishing an emergency telephone district and causing 9-1-1 service to be implemented within the district under the Act. The bill would require, rather than permit, the board to modify the existing service or scope or method of financing.

# Tentative & Final 9-1-1 Service Plans

Under the Act, the clerk of each county that has adopted a tentative 9-1-1 service plan must give notice by publication of a required hearing on the final service plan. The notice must be published twice in a newspaper of general circulation within the county, the first publication occurring at least 30 days before the hearing. The notice must contain specified information, including that if the county board of commissioners, after a hearing, adopts the final 9-1-1 service plan, an emergency telephone technical charge and, if approved, an emergency telephone operational charge will be collected on a uniform basis from all service users within the 9-1-1 service district. The bill would refer to the State 9-1-1 charge and a county

9-1-1 charge, rather than an emergency telephone technical charge and an emergency telephone operational charge, respectively.

Under the Act, after a final 9-1-1 service plan has been adopted, a county may amend it only by complying with specific procedures. Upon a county board of commissioner's adoption of an amended final plan, the county must forward the plan to the service supplier or suppliers designated to provide 9-1-1 service within the service district as amended. Upon receiving the amended final plan, each designated service supplier must implement as soon as feasible the amendments to the final service plan in the service district as amended.

Under the bill, a county board of commissioners also could, by resolution, make minor amendments to the final 9-1-1 service plan for any of the following:

- -- Changes in PSAP premises equipment, including computer-aided dispatch systems, call processing equipment, and computer mapping.
- -- Changes involving the participating public safety agencies within a 9-1-1 service district.
- -- Changes in the 9-1-1 charges collected by the county subject to the limits under the Act.

("Tentative 9-1-1 service plan" means a plan prepared by at least one county for implementing a 9-1-1 system in a specified 9-1-1 service district. "Final 9-1-1 service plan" means a tentative 9-1-1 service plan that has been modified only to reflect necessary changes resulting from any exclusions of public agencies from the 9-1-1 service district of the tentative plan and any failure of public safety agencies to be designated as PSAPs or secondary PSAPs.

"Public safety agency" means a functional division of a public agency, county, or the State that provides fire fighting, law enforcement, ambulance, medical or other "Public emergency services. safety point" ("PSAP") answering means communications facility operated answered on a 24-hour basis assigned responsibility by a public agency or county to receive 9-1-1 calls and to dispatch public safety response services, as appropriate, by

the direct dispatch, relay, or transfer methods. It is the first point of reception by a public safety agency of a 9-1-1 call and serves the jurisdictions in which it is located and other participating jurisdictions, if any. "Secondary PSAP" means a communications facility of a public safety agency or private safety entity that receives 9-1-1 calls by the transfer method only and generally serves as a centralized location for a particular type of emergency call.

A public agency is a village, township, charter township, or city within the State and any special purpose district located in whole or in part within the State.)

# Agreement with Public Agency

The Act allows 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 to enter into an agreement with a public agency that does either of the following:

- -- Grants 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.
- -- Provides 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.

The bill would refer to the emergency telephone operational charge or the State 9-1-1 charge.

#### Technical & Operational Charges

The bill would establish an expiration date of December 31, 2007, on the provisions described below, but would reenact similar provisions regarding an emergency telephone technical charge.

Except as otherwise provided, each service supplier within a 9-1-1 service district must provide a billing and collection service for an emergency telephone technical charge and operational charge from all of its users within the geographical boundaries of the emergency telephone or 9-1-1 service district. The charges must be uniform per each exchange access facility within the 9-1-

1 service district. The portion of the technical charge that represents start-up nonrecurring billing, installation, service, and equipment charges of the service supplier, including the costs of updating equipment necessarv conversion to 9-1-1 service, must be amortized at the prime rate plus 1% over a period of up to 10 years and must be billed and collected from all service users only until the service supplier recoups those amounts fully. Recurring costs and charges included in the technical and operational charges must continue to be billed to the service user.

The amount of the technical and operational charges to be billed to the service user must be computed as required by the Act. Except as otherwise provided, the amount of technical charge payable monthly by a service user for recurring costs and charges may not exceed 2% of the lesser of \$20 or the highest monthly rate the service supplier charges for primary basic local exchange service within the 9-1-1 service district. The amount of technical charge payable monthly by a service user for nonrecurring costs and charges may not exceed 5% of the lesser of \$20 or the highest monthly rate the service supplier charges for primary basic local exchange service under the Michigan Telecommunications Act within the 9-1-1 service district.

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 lesser of \$20 or the highest monthly rate the service supplier charges for primary basic local exchange service within the county. The percentage to be set for the operational charge must be established by the county board of commissioners. The difference, if any, between the amount of the technical charge computed under the Act and the maximum permitted under this provision must be paid by the county from funds available to it or through cooperative arrangements with public agencies within the 9-1-1 service district.

Except as otherwise provided, the technical and operational charges must be collected in accordance with the regular billings of the service supplier. The amount collected for the operational charge must be paid by the

service supplier to the county that authorized the collection. The technical and operational charges payable by service users must be added to, and stated separately in, the billings to service users.

The bill would reenact similar provisions, but would refer to a "local exchange provider", rather than a "service supplier". The bill would refer to the technical charge, but not the operational charge. The amount of the emergency telephone technical charge would have to be computed by dividing the total technical charge by the number of exchange access facilities within the 9-1-1 service district.

Additionally, the bill would establish an expiration date of December 31, 2007, on the current provisions described below.

Except as otherwise provided, a county may, with the approval of the voters in the county, assess up to 16% of the lesser of \$20 or the highest monthly rate charged by the service supplier for primary basic local exchange service within the county, or assess a millage or combination of the two to cover emergency telephone operational costs. An assessment approved under these provisions is for a period of up to five years.

The total operational charge under the provisions allowing a county to assess an additional charge for recurring costs and an additional charge or millage to cover operational costs may not exceed 20% of the lesser of \$20 or the highest monthly flat rate charged for primary basic service by a service supplier for a one-party access line.

An annual accounting must be made of the approved operational charge as prescribed in the Act. (The provisions related to the accounting would be deleted by Senate Bill 411 (S-3).)

Except as otherwise provided, the operational charge must be distributed by the county or counties to the primary PSAPs by one of the following methods:

- -- As provided in the final 9-1-1 service plan.
- -- If distribution is not provided for in the plan, then according to any agreement for distribution between the county and public agencies.

-- If distribution is not provided in the plan or by agreement, then according to the distribution of access lines within the primary PSAPs.

In addition to providing for the expiration of these provisions, the bill would delete a provision that, if a county board of commissioners created multiple emergency telephone districts before March 2, 1994, the districts must receive all operational funds collected by the service supplier of the district and operate the systems as provided by the Act.

# State 9-1-1 Charge

Under the bill, except as otherwise provided, each service supplier within a 9-1-1 service district would have to bill and collect a State 9-1-1 charge from all of the service supplier's service users within the geographical boundaries of the 9-1-1 service district or as otherwise provided in the bill. The billing and collection of the State 9-1-1 charge would begin on January 1, 2008. The State 9-1-1 charge would have to be uniform per each service user within the service district.

The amount of the State 9-1-1 charge payable monthly by a service user would have to be established as described below. The amount could not be more than 25 cents or less than 15 cents. The charge could be adjusted annually as provided in the bill.

The State charge would have to be collected in accordance with the regular billings of the service supplier. Except as otherwise provided under the Act, the amount collected for the State charge would have to be paid quarterly by the service supplier to the State Treasurer and deposited in the Emergency 9-1-1 Fund. The charge would have to be listed separately on the customer's bill or payment receipt. (The Emergency 9-1-1 Fund currently is called the CMRS Emergency Telephone Fund. Senate Bill 411 (S-3) would rename the Fund.)

The initial charge would be 19 cents and would be effective January 1, 2008. The charge would have to reflect the actual costs of operating, maintaining, upgrading, and other reasonable and necessary

expenditures for the 9-1-1 system in this State.

consultation with The PSC, in the Committee, would have to review and could adjust the charge and the distribution percentages of the Emergency 9-1-1 Fund to be effective on January 1, 2009, and January 1, 2010. (The percentages would be prescribed by Senate Bill 411 (S-3).) Any adjustment to the charge by the PSC would have to be made by October 1 of the preceding year, and be based on the Committee's recommendations. adjustment to the charge or the distribution percentages after December 31, 2010, would have to be made by the Legislature.

If a service user had multiple access points or access lines, the State 9-1-1 charge would have to be imposed separately on each of the first 10 access points or lines and then one charge for each 10 access points or lines per billed account.

These provisions would take effect on January 1, 2008.

#### County 9-1-1 Charge

In addition to the State 9-1-1 charge, after December 31, 2007, a county board of commissioners could, by resolution, millage as otherwise allowed by law, with the approval of voters in the county, or any combination of those methods, assess a county 9-1-1 charge. The board would have to state in the resolution, ballot question, or millage request the anticipated amount to be generated.

The county 9-1-1 charge could not exceed the amount necessary to implement, maintain, and operate the 9-1-1 system in the county.

If voters approved the charge to be assessed on the service user's monthly bill on a ballot question, the service provider's bill would have to state the following:

"This amount is for your 9-1-1 service which has been approved by the voters on (date of voter approval). This is not a charge assessed by your service supplier. If you have questions concerning your 9-1-1 service, you may call (include appropriate telephone number)."

Within 90 days after the first day of each fiscal or calendar year of a county, an annual accounting would have to be made of the approved county 9-1-1 charge.

Except as otherwise provided, the county 9-1-1 charge would have to be paid quarterly directly to the county and distributed by the county to the primary PSAPs by one of the following methods:

- -- As provided in the final 9-1-1 service plan.
- -- If distribution were not provided for in the plan, then according to any agreement for distribution between the county and public agencies.
- -- If distribution were not provided in the plan or by agreement, then according to population within the emergency 9-1-1 district.

The bill specifies that the county 9-1-1 charge provisions would not preclude the distribution of funding to secondary PSAPs if the distribution were determined by the primary PSAPs within the emergency 9-1-1 district to be the most effective method for dispatching fire or emergency medical services and the distribution were approved within the final 9-1-1 service plan.

The county annually could adjust the 9-1-1 charge to be effective July 1. The county would have to notify the Committee by April 1 of each year of any change in the charge.

If a county had multiple emergency response districts, the county 9-1-1 charge collected under the bill would have to be distributed in proportion to the population within the emergency 9-1-1 district.

The service supplier could retain 2% of the approved county 9-1-1 charge to cover the supplier's costs for billings and collections. The county 9-1-1 charge would have to be listed separately on the customer's bill and state the means by which the charge was approved.

Information submitted by a service supplier to a county would be exempt from the Freedom of Information Act and could not be released by the county without the service supplier's consent.

If a service user had multiple access points or access lines, the county 9-1-1 charge

would have to be imposed separately on each of the first 10 access points or lines and then once for each 10 access points or lines per billed account.

These provisions would take effect on January 1, 2008.

# Review & Approval of County Surcharge

By September 15, 2007, each county that decided to assess a surcharge, with the assistance of the State 9-1-1 Office, would have to submit to the PSC all of the following:

- -- The initial county 9-1-1 surcharge for each 9-1-1 service district to be effective January 1, 2008.
- -- The estimated amount of revenue to be generated in each 9-1-1 service district for 2007.
- -- Based on the initial surcharge, the estimated amount of revenue to be generated for 2008.

If the amount to be generated in 2008 exceeded the amount received in 2007 plus 2.7% of the 2007 revenue, the PSC, in consultation with the Committee, would have to review and approve or disapprove the county surcharge. If the PSC did not act by October 15, 2007, the county surcharge would be deemed approved. surcharge were rejected, it would have to be adjusted to ensure that the revenue generated did not exceed the amount allowed under the bill. In reviewing the surcharge, the PSC would have to consider the county's historical expenditures and documented needs as they related to the disallowable and costs allowable approved by the Committee on June 21, 2005.

# CMRS Emergency 9-1-1 Charge

The bill would require each CMRS supplier or reseller to collect an emergency 9-1-1 charge from each of its prepaid customers. The Committee would have to establish the amount of the charge annually by combining the amounts determined under the following two provisions.

First, the CMRS supplier or reseller would have a one-time option of selecting one of the following methods of determining the portion of the charge that represented the State 9-1-1 amount:

- -- By dividing the total earned prepaid revenue received by the CMRS supplier or reseller within the monthly 9-1-1 reporting period by \$50 and then multiplying that number by the amount of the State 9-1-1 charge established as described above.
- By multiplying the amount of the State 9-1-1 charge as established for each active prepaid account of the CMRS supplier or reseller.

Second, the Committee annually would have to review and establish the portion of the emergency 9-1-1 charge that represented the county 9-1-1 charge amount. The charge would have to be based on the weighted average of all county 9-1-1 charges imposed statewide.

The CMRS would have to deposit the amount collected for the emergency 9-1-1 charge into the Emergency 9-1-1 Fund to be distributed as provided in the Act.

These provisions would take effect on January 1, 2008.

(Under the bill, "active prepaid accounts" would mean a customer who has recharged or replenished his or her account at least once during the billing period or calendar month or has a sufficient positive balance at the end of each month equal to or greater than the amount of the emergency 9-1-1 charge.

"CMRS reseller" would mean a provider who purchases telecommunication services from another telecommunication service provider and then resells, uses a component part of, or integrates the purchased services into a mobile telecommunication service.

"Earned prepaid revenue" would mean all new revenue that has been generated from prepaid service accounts since the close of the last billing period or calendar month.

"Prepaid customer" would mean a CMRS subscriber who pays in full prospectively for the service and has a Michigan telephone number or a Michigan identification number for service, or a service for exclusive use in an automotive vehicle and whose place of primary use is within Michigan.)

#### Senate Bill 411 (S-3)

#### Alteration in Charge

Currently, after collection of the emergency telephone charge within a particular 9-1-1 service district has begun, a service supplier providing or designated to provide 9-1-1 service under the Act may not alter the emergency telephone charge collected from service users within the service district except as provided in the Act and described below.

Subject to limitations in the Act, if additions or withdrawals of PSAPs or secondary PSAPs are made to the 9-1-1 service within a 9-1-1 service district, the charge must be increased or decreased in an amount such that the total emergency telephone charge to be collected in that billing period and each billing period after that equals the total cost of providing 9-1-1 service within the service district based on the service supplier's rates and charges.

Also, subject to limitations in the Act, if a public agency is added to or withdraws from a 9-1-1 service district, the emergency telephone charge must be increased or decreased within the jurisdiction of that particular public agency in an amount such that the total emergency telephone charge to be collected in that billing period and in each billing period after that equals the total cost of providing 9-1-1 service within the modified 9-1-1 service district based on the service supplier's rates and charges.

The bill would delete this language. Instead, a service supplier providing or designated to provide 9-1-1 service under the Act could not alter the State or county 9-1-1 charge collected from service users within the 9-1-1 service district except as provided in the Act.

#### 9-1-1 Call Location Information

The bill would require the PSC to consult with and consider the recommendations of the Emergency 9-1-1 Service Committee in the promulgation of rules requiring each service user with a multiline telephone system to install by December 31, 2011, the necessary equipment and software to provide specific location information of a 9-1-1 call. This provision would apply to multiline telephone systems regardless of the system technology.

#### Annual Accounting

Currently, except as otherwise provided, within specified time frames, a service supplier providing 9-1-1 service under the Act must make an annual accounting to the 9-1-1 service district of the total emergency telephone charges collected during the immediately preceding calendar year. If an annual accounting discloses that the total emergency telephone technical charges collected during that year exceeded the total cost of installing and providing 9-1-1 service within the service district according to the service supplier's rates and charges, the service supplier must adjust the technical charge collected from service users in the service district in an amount computed as prescribed by the Act. Costs of the service supplier associated with making adjustment as part of the billing and collection service must be deducted from the amount to be adjusted.

If the annual accounting discloses that the total emergency telephone charges collected during the calendar year are less than the total cost of installing and providing 9-1-1 service within the service district according to the costs and rates of the service supplier, the service supplier must collect an additional charge from service users in the district in an amount computed as prescribed by the Act.

The bill would delete these provisions.

# <u>Auditing</u>

Currently, except as otherwise provided, the emergency telephone operational charge funds collected and spent under the Act must be used exclusively for the operation of the 9-1-1 system. Under the bill, instead, the funds collected and spent under the Act would have to be spent exclusively for 9-1-1 services and in compliance with the rules promulgated under the Act.

The Act requires each PSAP or secondary PSAP to assure that fund accounting, auditing, monitoring, and evaluation procedures are provided. Under the bill, all of the procedures would have to be provided as required by the Act and the rules promulgated under it. The bill would delete a requirement that the accounting procedures provide for accurate and timely

recording of receipt and disbursement of funds by source.

The Act requires an annual audit to be conducted by an independent auditor using generally accepted accounting principles. An increase in 9-1-1 operational funds may not be authorized or spent for the next fiscal year unless an annual audit has been performed for the previous fiscal year and expenditures are in compliance with the Act. Under the bill, an increase in the charges allowed under the Act could not be authorized or spent for the next fiscal year unless, according to the most recently completed annual audit, expenditures were in compliance with the Act. The bill would delete a requirement that a PSAP continue to operate at the same funding level as the previous fiscal year until an audit is performed.

The bill also would delete a provision prohibiting the recurring emergency telephone operational charge from being spent if an audit has not been performed as required within 120 days at the end of the fiscal year.

Under the bill, the receipt of 9-1-1 funds would depend on compliance with the standards established by the PSC in the promulgation of rules.

#### Emergency 9-1-1 Fund

The Act establishes the CMRS Emergency Telephone Fund within the State Treasury. The bill would refer to the Emergency 9-1-1 Fund, rather than the CMRS Emergency Telephone Fund, and delete a requirement that the Fund provide money to implement the Wireless Emergency Service Order and the Act. Money in the CMRS Emergency Telephone Fund on the bill's effective date would have to be deposited into the Emergency 9-1-1 Fund and spent as provided by the Act. The bill would delete a requirement that the State Treasurer establish restricted subaccounts within the CMRS Emergency Telephone Fund for each of the categories listed in Section 409 (which was repealed on January 1, 2004).

Currently, the Department of Treasury may spend Fund money, upon appropriation, only as provided in the Act. The bill would delete the reference to appropriation. (The Wireless Emergency Service Order requires local exchange carriers to provide all customers with enhanced 9-1-1 (E-911) service, which provides for the identification of a caller's location and telephone number. The Order was issued by the Federal Communications Commission (FCC) in June 1996, and took effect on October 1, 1996. The Order was supposed to be implemented in two phases. Phase 1 required wireless telephone service providers, by April 1, 1998, to be prepared to relay a caller's "automatic number identification" and the location of the cell site to the designated PSAP, and enable the attendant to call back if the 9-1-1 call was disconnected. Under Phase 2, by October 2001, carriers had to be able to identify the latitude and longitude of a wireless call within a radius of 125 meters in 67% of all cases.)

#### State 9-1-1 Service Charge

Currently, except as otherwise provided, a CMRS supplier or reseller must include a service charge of 52 cents per month for each CMRS connection with a Michigan billing address. The CMRS supplier or reseller must list the service charge as a separate line item on each bill as the "operational 9-1-1 charge".

The bill would delete these provisions. Instead, except as otherwise provided, starting January 1, 2008, a service supplier would have to include a monthly State 9-1-1 service charge (as determined under Senate Bill 410 (S-3)). The service supplier would have to list the State 9-1-1 service charge on each bill as a separate line item called the "state 9-1-1 charge".

The bill would allow each service supplier to retain 2% of the State 9-1-1 charge collected under the Act to cover the supplier's costs for billing and collection.

# **CMRS Fund Reimbursement**

The Act requires a CMRS supplier to submit an invoice to the subcommittee (described below) for reimbursement from the CMRS Emergency Telephone Fund for costs incurred in implementing the Wireless Emergency Service Order and the Act. Within 90 days after the date the invoice is submitted, the subcommittee must review it and make a recommendation to the Committee for the approval, in whole or in

part, or denial of the invoice. The Committee may approve an invoice only if it is for costs directly related to the provision and installation of equipment that implements the service order and the Act. The Committee must authorize payment of the invoice in accordance with the subcommittee's recommendations. The bill would delete these provisions.

The bill also would delete provisions that required all CMRS suppliers to notify the Committee by July 1, 2004, whether they would seek reimbursement from the Fund for costs incurred before December 31, 2005, in implementing the Order and the Act. If a CMRS supplier elected to seek reimbursement, it had to continue imposing the 52-cent monthly charge until December 31, 2005. Since that date, the supplier has had to impose a monthly service charge of 29 cents. A CMRS supplier that notified the Committee that it would not seek reimbursement must impose a charge of 29 cents per month and could not seek reimbursement for costs in implementing the order and the Act after the date of its notice to the Committee.

Currently, the Michigan Department of State Police (MSP) may receive funds from the CMRS Emergency Telephone Fund for costs to administer the Act or to operate a regional dispatch center that receives and dispatches 9-1-1 calls. A breakdown of the costs funded under this provision must be included in the annual report required under Section 412 (which the bill would amend as described below). Except as otherwise provided, the funded costs may not exceed one-half of one cent of the monthly service charge. If the MSP establishes the position of E 9-1-1 coordinator, the funded costs may not exceed one cent of the monthly service charge. The bill would delete these provisions.

# Emergency 9-1-1 Fund Distribution

The Act requires all money collected and deposited in the CMRS Emergency Telephone Fund to be distributed as follows:

-- Except as otherwise provided, 10 cents of each monthly service charge must be disbursed equally to each county that has in place a final 9-1-1 plan that includes implementation of the Wireless Emergency Service Order and the Act.

- -- Except as otherwise provided, 15 cents of each monthly service charge must be disbursed on a per capita basis to each county that has in place a final 9-1-1 plan that includes implementation of the Order and the Act.
- -- One and one-half cents of each monthly service charge must be available to PSAPs for training personnel assigned to 9-1-1 centers.
- -- To CMRSs for reimbursement of the costs of implementing the Order and the Act; to the MSP for administrative costs and the costs to operate a regional dispatch center; and to local exchange providers for costs related to the Order.

Also, for fiscal year (FY) 2005-06 only, up to \$15.0 million was allocated for the annual rental obligations of the State Building Authority under the bonds issued to finance the Michigan Public Safety Communications System project.

The bill instead would require money collected and deposited in the Emergency 9-1-1 Fund, except as otherwise provided, to be disbursed as follows:

- -- 82.5% disbursed to each county with a final 9-1-1 plan in place, with 40% of that percentage distributed quarterly on an equal basis to each county, and 60% distributed quarterly based on a population per capita basis.
- -- 7.75% to reimburse local exchange providers for the costs related to wireless emergency service.
- -- 6.0% made available to PSAPs for training personnel assigned to 9-1-1 centers.
- -- 3.75% credited to the MSP for costs to administer the Act, to operate a regional dispatch center that receives and dispatches 9-1-1 calls, and to maintain the office of the State 9-1-1 coordinator.
- -- For FY 2007-08 only, up to \$500,000 to the MSP to study the feasibility of an IP-based 9-1-1 system in Michigan.

Any cost reimbursement to local exchange providers could not include a cost that was not related to wireless emergency service. A local exchange provider could submit an invoice to the PSC for reimbursement from the Fund for allowed costs. Within 45 days after the date the invoice was submitted, the PSC would have to approve the invoice in whole or in part, or deny it.

("Common network costs" would mean the costs associated with the common network required to deliver a 9-1-1 call with location automatic identification and automatic number identification from a selective router to the proper PSAP and the costs associated with the 9-1-1 database and 9-1-1 distribution system of the primary 9-1-1 service supplier identified in a county 9-1-1 plan. "Common network" would mean the elements of a service supplier's network that are not exclusive to the supplier or technology capable of accessing the 9-1-1 system.)

Money received by a county could be used only for 9-1-1 services as allowed in the Act. The bill would retain a requirement that money spent for a purpose considered unnecessary or unreasonable by the Committee or the Auditor General be repaid to the Fund. The bill also would require a breakdown of the MSP's costs funded under these provisions to be included in the annual report required under the Act.

The bill would require the PSC to consult with and consider the recommendations of the Committee in the promulgation of rules establishing training standards for 9-1-1 system personnel.

Currently, money must be disbursed to an eligible public safety agency or county for the training of PSAP personnel through certified courses by the Michigan Commission on Law Enforcement Standards only to provide basic 9-1-1 operations training, or to provide in-service training to employees engaged in 9-1-1 service. Under the bill, the money would have to be disbursed on a biannual basis and the courses would have to be certified by the Committee.

Currently, if a county with a final 9-1-1 plan in place does not accept 9-1-1 calls through the direct dispatch method, relay method, or transfer method from a CMRS user, the revenue available to the county must be disbursed to the public agency or county responsible for accepting and responding to those calls. The bill would delete this provision.

The bill would delete provisions under which a county had to be compliant with the Order and the Act by particular deadlines in order to receive disbursements.

The bill also would delete a provision allowing each CMRS supplier or reseller who billed a customer to retain one-half of one cent of each service charge billed under the Act to cover the costs of billing and collection as the only reimbursement from this charge for billing and collection costs.

The Act required the Public Service Commission, following a contested case, to issue an order by June 29, 2004, establishing the costs that a local exchange provider may recover in terms of the costs related to the Wireless Emergency Service Order. A local exchange provider may submit an invoice to the PSC for reimbursement from the CMRS Emergency Telephone Fund for costs incurred that are allowed under the Commission order. The bill would delete these provisions.

Currently, a CMRS supplier or reseller is not liable for an uncollected service charge for which the supplier or reseller has billed the CMRS user. If a CMRS supplier or reseller receives only a partial payment of a bill, the supplier or reseller must credit the amount received in the following order of priority:

- -- For services provided.
- -- For the reimbursement of CMRS suppliers for the costs of billing and collection.
- -- For the balance of the service charge.

Amounts received for the balance of the service charge must be forwarded to the CMRS Emergency Telephone Fund. Any uncollected portion of the service charge that is not received must be billed on subsequent billings and, upon receipt, amounts in excess of the reimbursement must be forwarded to the Fund. The service charge a CMRS user pays is not subject to a State or local tax. The bill would delete all of these provisions.

The bill also would delete requirements that the MSP annually prepare a prioritized list of projects that it recommends for funding, and that the Legislature annually review and approve projects by law. Additionally, the bill would delete a provision that, if a project provides infrastructure or equipment for use by CMRS suppliers, the MSP must charge a reasonable fee for use of the infrastructure or equipment.

The bill would require the PSC to consult with and consider the recommendations of

the Committee in the promulgation of rules establishing the standards for the receipt and expenditures of 9-1-1 funds under the Act. Receipt of the funds would be dependent on compliance with the standards established under this provision.

#### Annual Committee Report

The Act requires the Committee to conduct and complete a study and make a report by August 30 of each year on the 52-cent service system charge. The report must include at least all of the following:

- -- The extent of emergency telephone service implementation in Michigan by CMRS suppliers under the Wireless Emergency Service Order and the Act.
- -- The actual costs incurred by PSAPs and CMRS suppliers in complying with the Order and the Act.
- -- The required service charge and a recommendation to change its amount if needed to fund the costs of meeting the time frames in the Order and the Act.
- A description of any commercial applications developed as a result of implementing the Act.
- A detailed record of expenditures by each county relating to the implementation of the Order and the Act.

The bill would require the Committee, instead, to report by August 1 of each year on the 9-1-1 system in Michigan and the State and county 9-1-1 charges required and distributed under the Act. The report would have to include at least all of the following:

- -- The extent of emergency 9-1-1 service implementation in Michigan.
- -- The actual 9-1-1 services costs incurred by PSAPs and counties.
- -- The required State 9-1-1 charge and a recommendation of any changes in its amount or the distribution percentages of the Fund.
- -- A description of any commercial applications developed as a result of implementing the Act.
- -- The State, county, and CMRS emergency 9-1-1 charges and a detailed record of expenditures by each county relating to the Act.

As currently required, the report would have to be delivered to the Secretary of the Senate, the Clerk of the House of Representatives, and the standing committees of the Senate and House having jurisdiction over issues pertaining to communication technology. The bill would delete a requirement that the Legislature, upon receiving the report, consider its findings and determine whether an adjustment to the fee is necessary.

# Promulgation of Rules

The bill would allow the PSC to promulgate rules to establish any of the following:

- -- Uniform procedures, policies, and protocols governing 9-1-1 services in counties and PSAPs in this State.
- -- Standards for the training of PSAP personnel.
- -- Uniform procedures, policies, and standards for the receipt and expenditure of 9-1-1 funds received by counties.
- -- The requirements for multiline telephone systems.
- -- The penalties and remedies for violations of the Act and the rules promulgated under it.

The rules would not apply to service suppliers.

The PSC would have to consult with and consider the recommendations of the Committee in the promulgation of rules. The PSC's rule-making authority would be limited to that expressly granted in these provisions.

#### <u>Technical Assistance</u>; <u>Dispute Resolution</u>

Currently, except for a CMRS, the PSC and the Committee, upon request by a service supplier, county, public agency, or public service agency, must provide, to the extent possible, technical assistance regarding the formulation and/or implementation of a 9-1-1 service plan and assistance in resolving a dispute between or among a service supplier, county, public agency, or public safety agency regarding their respective rights and duties under the Act. The bill would delete the references to a CMRS and the PSC.

Under the Act, except for a CMRS supplier, a service supplier, county public agency, public service agency, or a combination of those entities that has a dispute with

another arising from the formulation and/or implementation of a 9-1-1 service plan must request assistance from the PSC and the Committee in resolving the dispute. Upon the request of a CMRS supplier, county, public agency, or public service agency, the Committee, to the extent possible, must provide technical assistance in formulating and implementing a 9-1-1 service plan. The Committee must 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. The bill would delete all of these requirements.

Currently, a CMRS supplier, county, public agency, or public service agency or a combination of those entities that has a dispute with another of those entities arising from the formulation and/or implementation of a 9-1-1 service plan must request assistance from the Committee in resolving the dispute. The bill would delete this provision.

The bill would require the Committee to develop a voluntary informal dispute resolution process that could be used by any party in resolving any dispute involving the formulation, implementation, delivery, and funding of 9-1-1 services in this State.

#### Improper Use of 9-1-1 Service

The Act prohibits a person from using 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 PSAP. The bill would refer to an emergency 9-1-1 service, rather than an emergency telephone service or emergency CMRS.

Currently, a person who knowingly uses or attempts to use an emergency 9-1-1 service for an unauthorized purpose is guilty of a misdemeanor punishable by imprisonment for up to 93 days and/or a maximum fine of \$1,000. A violator who has one or more prior convictions under this provision is guilty of a felony punishable by imprisonment for up to two years and/or a maximum fine of \$2,000. Under the bill, the misdemeanor would be punishable by imprisonment for up to 180 days and/or a maximum fine of \$5,000. The felony would

be punishable by imprisonment for up to two years and/or a maximum fine of \$10,000.

#### Emergency 9-1-1 Service Committee

The Act establishes the Emergency Telephone Service Committee within the MSP to develop statewide standards and model system considerations and make other recommendations for emergency telephone services. The bill would refer to the Emergency 9-1-1 Service Committee. The Committee would have only the authority and duties granted to it under the Act.

The Committee's current responsibilities include performing duties as necessary to promote successful development, implementation, and operation of 9-1-1 systems across Michigan. Under the bill, the Committee instead would have to perform all duties required under the Act relating to the development, implementation, operation, and funding of 9-1-1 systems in Michigan. Additionally, the bill would require the Committee to provide notice to service suppliers of any changes in the State or county 9-1-1 charge.

The Act specifies that the Committee is subject to the Freedom of Information Act. Under the bill, this provision would apply except as otherwise provided under the Act.

#### Repealed Sections

The bill would repeal Sections 201a, 201b, 306, 410, 411, 506, and 711 of the Act. Section 201a allows a county or group of counties to create a universal emergency number service system under the Act. Section 201b allows four or more cities within a county with a population of at least 2.0 million to create such a system, with the approval of the county board Section 306 prescribes commissioners. procedures by which a public agency may opt to be excluded from a 9-1-1 service district.

Section 410 requires the Emergency Telephone Service Committee to appoint a subcommittee to review expenditures from the CMRS Emergency Telephone Fund, and prescribes the subcommittee's membership. The subcommittee must review invoices submitted by CMRS suppliers for reimbursement from the Fund and make

recommendations to the Committee regarding the approval or disapproval of payment on the invoices.

Under Section 411, a CMRS supplier may use money received from the CMRS Emergency Telephone Fund for monthly recurring costs, start-up costs, costs associated nonrecurring with installation, service, software, and hardware necessary to comply with the Wireless Emergency Service Order and the Act. If the total amount from the invoices approved for payment exceeds the amount remaining in the Fund in any quarter, all CMRS suppliers that have submitted invoices that are approved by the Committee to receive payment must receive a pro rata share of the money that is available in that quarter.

Under Section 506, a service supplier must cease 9-1-1 service in the area of a public agency withdrawing from the service district on the first day of the calendar year following the year in which the service supplier received a copy of a resolution of withdrawal from the service district. service supplier must continue to collect the emergency telephone charge from all service users within the area of the withdrawing public agency who continue to have 9-1-1 service, but may not collect the charge from users who do not continue to have 9-1-1 service after the billing period in which the first day of the calendar year is included. The service supplier must credit or collect any additional charge from service users within the withdrawing public agency.

Section 711 defines "committee" as the Emergency Telephone Service Committee.

MCL 484.1101 et al. (S.B. 410) 484.1402 et al. (S.B. 411)

#### **BACKGROUND**

On November 9, 2006, the Emergency Telephone Service Committee submitted to the Legislature a report containing six recommendations. These include a recommendation for the creation of a two-tiered operational surcharge system that would apply equally to all technologies that have access, or can gain access, to the 9-1-1 system, including traditional landline telephone services, wireless services, and VOIP 9-1-1 services. The first tier would consist of a statewide operational surcharge

of between 20 and 30 cents collected through the State Treasury to fund baseline funding for counties, dispatcher training, the State 9-1-1 Office, and tier one billing and collection. The second tier would consist of a locally determined county-based operational surcharge to fund local 9-1-1 operations. The local surcharge could not exceed the amount necessary to operate the 9-1-1 system.

Noting that each PSAP currently is responsible for establishing its own dispatcher training standards and programs, the report includes a recommendation that the Committee be authorized to promulgate rules to approve training courses funded through the statewide surcharge, and to develop, implement, and administer dispatcher training standards.

The report's recommendation regarding the response time of 9-1-1 personnel is that the Committee be granted the rule promulgation authority necessary to set and enforce identified standards for PSAP operations and county certification of compliance with the standards for receipt of 9-1-1 funds.

The report also suggests that \$500,000 should be appropriated from the CMRS Fund for an independent study of the feasibility of an IP-based 9-1-1 system in Michigan. Additionally, the report calls for the designation of \$10 million for an initial capital outlay for an IP-based 9-1-1 system in Michigan.

To improve the time of responding to 9-1-1 calls made from a multiline telephone system (MLTS), the report recommends that location information for such calls be legislatively mandated. Currently, 9-1-1 calls made from these systems do not display the caller's precise location to the dispatcher, but instead display the location of the system's switch equipment or a primary building on the MLTS. The report states that the MLTS requirements should require information that provides the building and floor of the caller or an adequate alternative internal method to provide location information for public safety responders.

The report also includes a recommendation for a more efficient process to amend a county 9-1-1 plan. Currently, if a county plan is to be changed, it must be amended

through a process that evidently can be costly and time-consuming. Thus, plans are updated only intermittently and sometimes contain obsolete references. The report proposes to allow limited changes to county 9-1-1 plans by the recognition of findings, administrative made resolution of the county commission, as addenda to the plans. The administrative findings would include changes in PSAP premises equipment, changes in public safety departments, and changes in the amount of any 9-1-1 surcharges collected by the county.

# **ARGUMENTS**

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

#### **Supporting Argument**

The 9-1-1 system constitutes a vital service for Michigan residents, and it is critical that an equitable, stable funding source be established to ensure that the reliability of the system is not compromised. Replacing the current funding system with the twotiered system proposed by Senate Bill 410 (S-3) and extending the charge to all 9-1-1 communication devices with capabilities would accomplish this. In recent years, cellphones have grown to outnumber landlines in Michigan, and the use of VOIP service is growing as well. Under the current funding structure, landline users shoulder a disproportionate share of the 9-1-1 funding burden.

With regard to the State 9-1-1 charge, the bills would create parity among service users in the collection of the charge and also take into account that different local 9-1-1 systems are operated differently and have different funding needs. Of the money distributed to counties, 40% would be allocated from the Fund on an equal basis, and 60% would be allocated based on population.

Additionally, the bills would establish a system with the necessary checks and balances to ensure that money collected for 9-1-1 operations was used only for authorized purposes (i.e., those directly related to receiving and processing 9-1-1 calls and dispatching responders).

**Response:** While the bills would result in a long-term, more equitable funding

system than is in place currently, it would be more appropriate to support the 9-1-1 network as other core government services are supported--through local units' general funds and property tax millages.

Also, the county 9-1-1 charge could be excessive for cellphone customers whose plans include a primary line and several additional lines for family members. Currently, counties may impose a surcharge of up to \$4. Under Senate Bill 410 (S-3), family share plan customers would pay the charge for each line on the account. This could add up to a significant amount, especially since the bill does not specify how the county charge would be set or restrict the amount that a county could assess.

While cellphone customers now are subject to a 52-cent State 9-1-1 fee, they are not subject to a county fee. Under Senate Bill 410 (S-3), cellphone customers would be subject to the county fee. Administering this fee at the local level could be difficult and result in uncertainty as to whether the money collected was being used solely to support 9-1-1 operations. There could be more accountability in the collection and disbursement of the county fee if the process for administering the current statewide wireless fee were used as a model.

# **Supporting Argument**

Currently, there are no statewide standards for the training of 9-1-1 personnel. Authorizing the Committee to establish such standards would ensure that dispatchers were able to meet the needs of citizens, and that basic service was the same across the entire State.

# **Opposing Argument**

It would be difficult for CMRS suppliers to comply with the requirement under Senate Bill 410 (S-3) to collect a 9-1-1 charge from prepaid cellphone customers. Usually, a prepaid customer purchases a cellphone through a retail store, rather than directly from the supplier, in addition to purchasing a phone card with a designated number of minutes in order to make the phone operational. The prepaid supplier and the customer typically have no billing relationship. Furthermore, charging the fee could on a monthly basis would not be practical because customers purchase cards with varying amounts of calling time and do

not use up their minutes at the same rate. The 9-1-1 charge could not be built into the price of the phone card because prepaid suppliers generally offer nationwide cards that are not specific to the state in which they are sold.

While prepaid customers certainly should pay for access to 9-1-1 services, the two methods prescribed by the bill would not be feasible. In other states where similar mechanisms have been established, the prepaid provider, rather than the customer, often ends up paying the fee. In addition to the methods specified in the bill, the Committee's report identified two other possible ways to collect the charge: collection by the retailer at the point of sale, or another method agreed upon by the prepaid provider and the Committee. One of those options might be more practical, and could be more effective in ensuring that customers did not avoid paying the charge.

Legislative Analyst: Julie Cassidy

# **FISCAL IMPACT**

The bills would continue, but amend, a charge-based funding mechanism for 9-1-1 service in the State that otherwise will sunset December 31, 2007. Retaining the funding mechanism would generate charge-based revenue of approximately \$20.9 million to fund costs related 9-1-1 service in the State.

Currently, 29 cents is charged monthly on each cell phone bill in the State. The revenue from this surcharge is distributed by the State in the following way: 25 cents to counties, one cent to the Michigan State Police, one and one-half cents for training, one-half cent for providers for billing costs, and one cent to land line network providers. This surcharge brings in approximately \$20 million annually, and other provisions in the statute allowing technical charges for communication companies add another approximately \$8.4 million.

The bills would change the current 9-1-1 charge from a 29-cent surcharge on cell phone bills (covering 6.6 million phone bills) to 19 cents on each communication device (land line and cell phones and others) that have access to 9-1-1 services (approximately 12.3 million actual devices; 9.3 million which would be charged under

the bills). The proposed new surcharge would generate approximately \$20.9 million. After service suppliers retained 2% of the State 9-1-1 charge for billing and collection, the State would distribute approximately \$20.5 million as follows (fiscally similar to amounts distributed under current law): 82.5% to counties, distributed on a 40% equal basis and 60% by population; 7.75% to fund common network costs; 6% to 9-1-1 training programs; and 3.75% to fund State 9-1-1 office and services.

As under current law, the bills would allow counties to apply local surcharges to fund 9-1-1 services, but would allow them to apply this surcharge to all communication devices that have access to 9-1-1, as the proposed new State surcharge would be allowed to do.

The bills also would direct \$500,000 from the current \$18.8 million balance in the CMRS Fund (unspent funds from cost recovery surcharges for wireless providers) to be used for a feasibility study to determine whether it would be advisable for the State to move to an IP (internet protocol) 9-1-1 system.

Fiscal Analyst: Bruce Baker

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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.