

Legislative Analysis



EMERGENCY 9-1-1 FUND DISBURSEMENT

Phone: (517) 373-8080
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Senate Bill 452 as referred to second House committee
Sponsor: Sen. Jim Stamas
1st House Committee: Communications and Technology
2nd House Committee: Ways and Means
Senate Committee: Appropriations
Complete to 9-9-19

Analysis available at
<http://www.legislature.mi.gov>

BRIEF SUMMARY: Senate Bill 452 would amend the Emergency 9-1-1 Service Enabling Act to require that funds generated from the 5.0% surcharge on prepaid wireless communication services be combined with those from the state 9-1-1 charge on postpaid services when determining the \$37.0 million annual threshold for reimbursements to local exchange providers and IP-based 9-1-1 service providers.

FISCAL IMPACT: Senate Bill 452 would not have a significant fiscal impact on any unit of state or local government. (See **Fiscal Information**, below, for more detail.)

THE APPARENT PROBLEM:

Under amendments to the Emergency 9-1-1 Service Enabling Act made by 2018 PA 51, fees are collected on both prepaid and postpaid communications services and deposited to the Emergency 9-1-1 Fund, but only the funds generated by the postpaid fees are counted toward a \$37.0 million fund balance threshold that must be met before the funds can be disbursed in reimbursements. Legislation has been proposed to address this gap.

THE CONTENT OF THE BILL:

Currently under the act, funds generated from the state 9-1-1 charge on postpaid communication service users in excess of \$37.0 million annually are reserved for reimbursements to local exchange providers for approved costs related to wireless emergency service, and reimbursements to IP-based 9-1-1 service providers for costs relating to the transportation, routing, or delivery to primary public safety answering points (PSAPs) of IP-based 9-1-1 emergency service. While a 5.0% surcharge on prepaid wireless communications services is collected under the act, those funds do not go toward the \$37.0 million dollar threshold for reimbursements.

The bill would require that funds generated from the 5.0% surcharge on prepaid wireless communication services be combined with those from the state 9-1-1 charge on postpaid services when determining the \$37.0 million annual threshold for the purposes described above.

MCL 484.1408

HOUSE COMMITTEE ACTION:

The House Committee on Communications and Technology reported the Senate-passed version of the bill without amendment.

BACKGROUND INFORMATION:

The Emergency 9-1-1 Service Enabling Act established the Emergency 9-1-1 Fund, which distributes funds to counties, local exchange providers, primary public safety answering points (PSAPs), and the Department of State Police. 2018 PA 51 (SB 400) amended the act to modify the distribution of the fund, among other changes. The current fund distribution, as established by 2018 PA 51, is illustrated in **Fiscal Information**, below.

2018 PA 51 also determined that money in the fund, generated from the state 9-1-1- charge on postpaid services, in excess of the \$37.0 million threshold would be reserved for reimbursements to local exchange providers and IP-based 9-1-1 service providers.

FISCAL INFORMATION:

Senate Bill 452 would not have a significant fiscal impact on any unit of state or local government. The bill would stipulate that revenues from the fee on prepaid wireless communication services would be included with fees generated from postpaid communication devices when determining distributions of funds exceeding the \$37.0 million threshold established in statute.

Money deposited to the Emergency 9-1-1 Fund up to \$37.0 million is distributed in accordance with the statute, details of which are displayed in the table below.

Recipient	Percentage of Distribution
Counties with Final 9-1-1 Plans in Place	65%
Local Exchange Providers and IP-Based 9-1-1 Service Providers	25.56%
Public Safety Answering Point Training	5.5%
Department of State Police for Regional Dispatch Center	1.5%
Department of State Police for Administration of the Act and the Office of the State 9-1-1 Coordinator	2.44%

Funds exceeding the \$37.0 million threshold are distributed to reimburse local exchange providers and IP-based 9-1-1 providers for costs stemming from wireless emergency service and costs related to transport, routing, or delivery to public safety answering points of IP-based 9-1-1 emergency service, respectively.

ARGUMENTS:

For:

Proponents of the bill stated that it is important for the fees from the prepaid services to be included with the revenue from the postpaid fees so that the fund can reach the threshold, which would allow for reimbursements. The change would enable the fund to support current needs and future developments.

Against:

No arguments opposing the bill were offered in House committee.

POSITIONS:

The following organizations indicated support for the bill (9-4-19):

- Michigan State Police
- Michigan Association of Counties
- Sprint
- Conference of Western Wayne 9-1-1
- Michigan Municipal League
- Peninsula Fiber Network
- Michigan Communication Directors Association
- Michigan Sheriffs' Association

AT&T indicated a neutral position on the bill. (9-4-19)

Legislative Analyst: Dana Adams
Fiscal Analyst: Marcus Coffin

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.