



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 452 (as introduced 8-20-19)

Sponsor: Senator Jim Stamas

Committee: Appropriations

Date Completed: 8-20-19

CONTENT

The bill would amend the Emergency 9-1-1 Service Enabling Act to require that funds generated from a 5.0% surcharge on prepaid wireless communication services be added with the State 9-1-1 fee collected from postpaid communication devices to make up a total that together, when in excess of \$37.0 million annually within the Emergency 9-1-1 Fund, must be reserved for reimbursing local exchange providers for costs related to wireless emergency service and to reimburse internet protocol (IP) based 9-1-1 providers for the costs related to the transport, routing, or delivery to primary public safety answering points (PSAPs) of IP-based 9-1-1 emergency service.

MCL 484.1408

FISCAL IMPACT

The bill would have no fiscal impact on State or local government. The bill would address 9-1-1 fee collections that exceeded \$37.0 million. Under the Act, the first \$37.0 million in 9-1-1 surcharges are distributed strictly by formula, as noted below.

Emergency 9-1-1 Fund Formula Allocations (Dollar amounts in millions)	
Program/Item	Percent Distribution
County 9-1-1 Providers	65.0%
Local Exchange Providers (Wireless Emergency Service) and Approved Costs for Internet Protocol Based 9-1-1 Projects	25.56
PSAP Training	5.5
State Police Regional Dispatch	1.5
State Police Administration	2.44
TOTAL	100.0%
¹ Statute limits the amount disbursed through the formula to \$37.0 million.	

The bill would amend recent legislation to ensure that both sources of revenue (prepaid service and standard billing) designated for deposit in the Emergency 9-1-1 fund are used to calculate when the \$37.0 million fund cap is achieved. Recent quarterly revenue figures indicate that approximately \$4.2 million is generated from prepaid surcharges and between \$6.5 million and \$8.0 million is generated from monthly telephone service surcharges, suggesting that annually those revenue totals would exceed the \$37.0 million cap by an amount over \$5.0 million, thus providing those funds over the cap exclusively to providers.

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