

Representative Brad L. Dee proposes the following substitute bill:

EMERGENCY COMMUNICATION FUNDING

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brad L. Dee

Senate Sponsor: Sheldon L. Killpack

LONG TITLE

General Description:

This bill makes changes to funds for emergency communication services.

Highlighted Provisions:

This bill:

- ▶ eliminates provisions reimbursing certain communications providers for costs associated with Phase I E-911 service;
- ▶ allows monies from the E-911 Emergency Service Fund to be used to assist in development of Phase II E-911 service;
- ▶ imposes the emergency services telephone charge on services with access to the public switched telephone network, including voice over Internet protocol;
- ▶ reduces a charge on communications services that funds emergency communication services from 65 cents per line to 61 cents;
- ▶ changes the date on which a charge levied to fund E-911 service is reduced from July 1, 2008 to July 1, 2007; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:



26 This bill takes effect on July 1, 2007.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **53-10-603**, as enacted by Chapter 313, Laws of Utah 2004

30 **53-10-605**, as last amended by Chapter 169, Laws of Utah 2005

31 **69-2-5**, as last amended by Chapter 253, Laws of Utah 2006

32 **69-2-5.6**, as last amended by Chapter 303, Laws of Utah 2006



34 *Be it enacted by the Legislature of the state of Utah:*

35 Section 1. Section **53-10-603** is amended to read:

36 **53-10-603. Creation of Statewide Unified E-911 Emergency Service Fund.**

37 (1) There is created a restricted account in the General Fund entitled the "Statewide
38 Unified E-911 Emergency Service Fund," or "fund" consisting of:

- 39 (a) proceeds from the fee imposed in Section 69-2-5.6;
- 40 (b) money appropriated or otherwise made available by the Legislature; and
- 41 [~~(c) proceeds from the levy imposed in Section 69-2-5, as required by Subsection~~
- 42 ~~69-2-5(3)(c)(iii); and]~~

43 [~~(d)~~] (c) contributions of money, property, or equipment from federal agencies,
44 political subdivisions of the state, persons, or corporations.

45 (2) The [~~moneys~~] monies in this fund shall be used exclusively for the following
46 statewide public purposes:

- 47 (a) enhancing public safety as provided in this chapter;
- 48 (b) providing a statewide, unified, wireless E-911 service available to public service
49 answering points; and
- 50 (c) providing reimbursement to providers for certain costs associated with Phase [~~+~~] II
51 wireless E-911 service.

52 Section 2. Section **53-10-605** is amended to read:

53 **53-10-605. Use of money in fund -- Criteria -- Administration.**

54 (1) Subject to an annual legislative appropriation from the fund to:

- 55 (a) the committee, the committee shall:
- 56 (i) authorize the use of the money in the fund, by grant to a local entity or state agency

57 in accordance with this Subsection (1) and Subsection (2);

58 (ii) grant to state agencies and local entities an amount not to exceed the per month fee
59 levied on telephone services under Section 69-2-5.6 for installation, implementation, and
60 maintenance of unified, statewide 911 emergency services and technology; and

61 (iii) in addition to any money under Subsection (1)(a)(ii), grant to counties of the third
62 through sixth class the amount dedicated for rural assistance, which is at least 3 cents per
63 month levied on telephone services under Section 69-2-5.6 to:

64 (A) enhance the 911 emergency services with a focus on areas or counties that do not
65 have E-911 services; and

66 (B) where needed, assist the counties, in cooperation with private industry, with the
67 creation or integration of wireless systems and location technology in rural areas of the state;
68 [~~and~~]

69 (b) the committee, the committee shall:

70 (i) include reimbursement to a provider of radio communications service, as defined in
71 Section 69-2-2, for costs as provided in [~~Subsections (1)(b)(ii) and (iii)~~] Subsection (1)(b)(ii);
72 and

73 (ii) an agreement to reimburse costs to a provider of radio communications services
74 must be a written agreement among the committee, the local public safety answering point and
75 the carrier; and

76 [~~(iii) shall include reimbursement to the provider for the cost of design, development,
77 and implementation of equipment or software necessary to provide Phase I, wireless E-911
78 service to public service answering points, provided:]~~]

79 [~~(A) the reimbursement under this Subsection (1)(b) does not exceed the amount
80 allowed by Subsection 53-10-602(3);~~]

81 [~~(B) the provider submits an invoice for the reimbursement to the committee; and~~]

82 [~~(C) the provider has not been reimbursed by the consumer for the costs submitted to
83 the committee; and~~]

84 (c) the state's Automated Geographic Reference Center in the Division of Integrated
85 Technology of the Department of Technology Services, an amount equal to 1 cent per month
86 levied on telephone services under Section 69-2-5.6 shall be used to enhance and upgrade
87 statewide digital mapping standards.

88 (2) (a) Beginning July 1, 2007, the committee may not grant the money in the fund to a
89 local entity unless the local entity is in compliance with Phase I, wireless E-911 service.

90 (b) Beginning July 1, 2009, the committee may not grant money in the fund to a local
91 entity unless the local entity is in compliance with Phase II, wireless E-911 service.

92 (3) A local entity must deposit any money it receives from the committee into a special
93 emergency telephone service fund in accordance with Subsection 69-2-5(4).

94 (4) For purposes of this part, "local entity" means a county, city, town, special district,
95 local district, or interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation Act.

96 Section 3. Section **69-2-5** is amended to read:

97 **69-2-5. Funding for 911 emergency telephone service.**

98 (1) In providing funding of 911 emergency telephone service, any public agency
99 establishing a 911 emergency telephone service may:

100 (a) seek assistance from the federal or state government, to the extent constitutionally
101 permissible, in the form of loans, advances, grants, subsidies, and otherwise, directly or
102 indirectly;

103 (b) seek funds appropriated by local governmental taxing authorities for the funding of
104 public safety agencies; and

105 (c) seek gifts, donations, or grants from individuals, corporations, or other private
106 entities.

107 (2) For purposes of providing funding of 911 emergency telephone service, special
108 service districts may raise funds as provided in Section 17A-2-1322 and may borrow money
109 and incur indebtedness as provided in Section 17A-2-1316.

110 (3) (a) Except as provided in Subsection (3)(b) and subject to the other provisions of
111 this Subsection (3) a county, city, or town within which 911 emergency telephone service is
112 provided may levy monthly an emergency services telephone charge on:

113 (i) each local exchange service switched access line within the boundaries of the
114 county, city, or town; [~~and~~]

115 (ii) each revenue producing radio communications access line with a billing address
116 within the boundaries of the county, city, or town[-]; and

117 (iii) any other service, including voice over Internet protocol, provided to a user within
118 the boundaries of the county, city, or town that allows the user to make calls to and receive

119 calls from the public switched telephone network, including commercial mobile radio service
120 networks.

121 (b) Notwithstanding Subsection (3)(a), an access line provided for public coin
122 telephone service is exempt from emergency telephone charges.

123 (c) The amount of the charge levied under this section may not exceed:

124 (i) ~~[65]~~ 61 cents per month for each local exchange service switched access line;

125 (ii) ~~[65]~~ 61 cents per month for each radio communications access line; and

126 ~~[(iii) 4 cents of the amount of the charge levied under Subsections (3)(c)(i) and (ii);~~
127 ~~less the collection costs of the provider and Tax Commission permitted by Subsection (3)(h)~~
128 ~~and Subsection 53-10-604(2)(b), shall be deposited monthly in the statewide unified E-911~~
129 ~~Emergency Service Fund created in Section 53-10-603, for the purposes outlined in that~~
130 ~~section.]~~

131 (iii) 61 cents per month for each service under Subsection (3)(a)(iii).

132 (d) (i) For purposes of this Subsection (3)(d) the following terms shall be defined as
133 provided in Section 59-12-102:

134 (A) "mobile telecommunications service";

135 (B) "primary place of use";

136 (C) "service address"; and

137 (D) "telephone service."

138 (ii) An access line described in Subsection (3)(a) is considered to be within the
139 boundaries of a county, city, or town if the telephone services provided over the access line are
140 located within the county, city, or town:

141 (A) for purposes of sales and use taxes under Title 59, Chapter 12, Sales and Use Tax
142 Act; and

143 (B) determined in accordance with Section 59-12-207.4.

144 (iii) The rate imposed on an access line under this section shall be determined in
145 accordance with Subsection (3)(d)(iv) if the location of an access line described in Subsection
146 (3)(a) is determined under Subsection (3)(d)(ii) to be a county, city, or town other than county,
147 city, or town in which is located:

148 (A) for telephone service other than mobile telecommunications service, the
149 purchaser's service address; or

150 (B) for mobile telecommunications service, the purchaser's primary place of use.
151 (iv) The rate imposed on an access line under this section shall be the lower of:
152 (A) the rate imposed by the county, city, or town in which the access line is located
153 under Subsection (3)(d)(ii); or
154 (B) the rate imposed by the county, city, or town in which it is located:
155 (I) for telephone service other than mobile telecommunications service, the purchaser's
156 service address; or
157 (II) for mobile telecommunications service, the purchaser's primary place of use.
158 (e) (i) A county, city, or town shall notify the Public Service Commission of the intent
159 to levy the charge under this Subsection (3) at least 30 days [~~prior to~~] before the effective date
160 of the charge being levied.
161 (ii) For purposes of this Subsection (3)(e):
162 (A) "Annexation" means an annexation to:
163 (I) a city or town under Title 10, Chapter 2, Part 4, Annexation; or
164 (II) a county under Title 17, Chapter 2, Annexation to County.
165 (B) "Annexing area" means an area that is annexed into a county, city, or town.
166 (iii) (A) Except as provided in Subsection (3)(e)(iii)(C) or (D), if on or after July 1,
167 2003, a county, city, or town enacts or repeals a charge or changes the amount of the charge
168 under this section, the enactment, repeal, or change shall take effect:
169 (I) on the first day of a calendar quarter; and
170 (II) after a 90-day period beginning on the date the State Tax Commission receives
171 notice meeting the requirements of Subsection (3)(e)(iii)(B) from the county, city, or town.
172 (B) The notice described in Subsection (3)(e)(iii)(A) shall state:
173 (I) that the county, city, or town will enact or repeal a charge or change the amount of
174 the charge under this section;
175 (II) the statutory authority for the charge described in Subsection (3)(e)(iii)(B)(I);
176 (III) the effective date of the charge described in Subsection (3)(e)(iii)(B)(I); and
177 (IV) if the county, city, or town enacts the charge or changes the amount of the charge
178 described in Subsection (3)(e)(iii)(B)(I), the amount of the charge.
179 (C) Notwithstanding Subsection (3)(e)(iii)(A), the enactment of a charge or a charge
180 increase under this section shall take effect on the first day of the first billing period:

181 (I) that begins after the effective date of the enactment of the charge or the charge
182 increase; and

183 (II) if the billing period for the charge begins before the effective date of the enactment
184 of the charge or the charge increase imposed under this section.

185 (D) Notwithstanding Subsection (3)(e)(iii)(A), the repeal of a charge or a charge
186 decrease under this section shall take effect on the first day of the last billing period:

187 (I) that began before the effective date of the repeal of the charge or the charge
188 decrease; and

189 (II) if the billing period for the charge begins before the effective date of the repeal of
190 the charge or the charge decrease imposed under this section.

191 (iv) (A) Except as provided in Subsection (3)(e)(iv)(C) or (D), if for an annexation
192 that occurs on or after July 1, 2003, the annexation will result in the enactment, repeal, or a
193 change in the amount of a charge imposed under this section for an annexing area, the
194 enactment, repeal, or change shall take effect:

195 (I) on the first day of a calendar quarter; and

196 (II) after a 90-day period beginning on the date the State Tax Commission receives
197 notice meeting the requirements of Subsection (3)(e)(iv)(B) from the county, city, or town that
198 annexes the annexing area.

199 (B) The notice described in Subsection (3)(e)(iv)(A) shall state:

200 (I) that the annexation described in Subsection (3)(e)(iv)(A) will result in an
201 enactment, repeal, or a change in the charge being imposed under this section for the annexing
202 area;

203 (II) the statutory authority for the charge described in Subsection (3)(e)(iv)(B)(I);

204 (III) the effective date of the charge described in Subsection (3)(e)(iv)(B)(I); and

205 (IV) if the county, city, or town enacts the charge or changes the amount of the charge
206 described in Subsection (3)(e)(iv)(B)(I), the amount of the charge.

207 (C) Notwithstanding Subsection (3)(e)(iv)(A), the enactment of a charge or a charge
208 increase under this section shall take effect on the first day of the first billing period:

209 (I) that begins after the effective date of the enactment of the charge or the charge
210 increase; and

211 (II) if the billing period for the charge begins before the effective date of the enactment

212 of the charge or the charge increase imposed under this section.

213 (D) Notwithstanding Subsection (3)(e)(iv)(A), the repeal of a charge or a charge
214 decrease under this section shall take effect on the first day of the last billing period:

215 (I) that began before the effective date of the repeal of the charge or the charge
216 decrease; and

217 (II) if the billing period for the charge begins before the effective date of the repeal of
218 the charge or the charge decrease imposed under this section.

219 (f) Subject to Subsection (3)(g), an emergency services telephone charge levied under
220 this section shall:

221 (i) be billed and collected by the person that provides the:

222 (A) local exchange service switched access line services; or

223 (B) radio communications access line services; and

224 (ii) except for costs retained under Subsection (3)(h), remitted to the State Tax
225 Commission.

226 (g) An emergency services telephone charge on a mobile telecommunications service
227 may be levied, billed, and collected only to the extent permitted by the Mobile
228 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.

229 (h) The person that bills and collects the charges levied under Subsection (3)(f) may:

230 (i) bill the charge imposed by this section in combination with the charge levied under
231 Section 69-2-5.6 as one line item charge; and

232 (ii) retain an amount not to exceed 1.5% of the levy collected under this section as
233 reimbursement for the cost of billing, collecting, and remitting the levy.

234 (i) The State Tax Commission shall:

235 (i) collect, enforce, and administer the charge imposed under this Subsection (3)

236 [~~pursuant to~~] using the same procedures used in the administration, collection, and enforcement
237 of the state sales and use taxes under:

238 (A) Title 59, Chapter 1, General Taxation Policies; and

239 (B) Title 59, Chapter 12, Part 1, Tax Collection, except for:

240 (I) Section 59-12-104;

241 (II) Section 59-12-104.1;

242 (III) Section 59-12-104.2; and

243 (IV) Section 59-12-107.1[-];
244 (ii) transmit monies collected under this Subsection (3):
245 (A) monthly; and
246 (B) by electronic funds transfer by the commission to the county, city, or town that
247 imposes the charge; and
248 (iii) charge the county, city, or town for the State Tax Commission's services under this
249 Subsection (3) in an amount:
250 (A) sufficient to reimburse the State Tax Commission for the cost to the State Tax
251 Commission in rendering the services; and
252 (B) that may not exceed an amount equal to 1.5% of the charges imposed under this
253 Subsection (3).
254 (4) (a) Any money received by a public agency for the provision of 911 emergency
255 telephone service shall be deposited in a special emergency telephone service fund.
256 (b) (i) Except as provided in Subsection (5), the money in the emergency telephone
257 service fund shall be expended by the public agency to pay the costs of establishing, installing,
258 maintaining, and operating a 911 emergency telephone system or integrating a 911 system into
259 an established public safety dispatch center, including contracting with the providers of local
260 exchange service, radio communications service, and vendors of appropriate terminal
261 equipment as necessary to implement the 911 emergency telephone service.
262 (ii) Revenues derived for the funding of 911 emergency telephone service may only be
263 used for that portion of costs related to the operation of the 911 emergency telephone system
264 when such a system is integrated with any public safety dispatch system.
265 (c) Any unexpended money in the emergency telephone service fund at the end of a
266 fiscal year does not lapse, and must be carried forward to be used for the purposes described in
267 this section.
268 (5) (a) Revenue received by a local entity from an increase in the levy imposed under
269 Subsection (3) after the 2004 Annual General Session, or from grants from the Utah 911
270 Committee pursuant to Section 53-10-605:
271 (i) shall be deposited into the special emergency telephone service fund described in
272 Subsection (4)(a); and
273 (ii) shall only be used for that portion of the costs related to the development and

274 operation of wireless and land-based enhanced 911 emergency telephone service and the
 275 implementation of wireless E-911 Phase I and Phase II services as provided in Subsection
 276 (5)(b).

277 (b) The costs allowed under Subsection (5)(a)(ii) shall include the public service
 278 answering point's or local entity's costs for:

279 (i) acquisition, upgrade, modification, maintenance, and operation of public service
 280 answering point equipment capable of receiving E-911 information;

281 (ii) database development, operation, and maintenance; and

282 (iii) personnel costs associated with establishing, installing, maintaining, and operating
 283 wireless E-911 Phase I and Phase II services, including training emergency service personnel
 284 regarding receipt and use of E-911 wireless service information and educating consumers
 285 regarding the appropriate and responsible use of E-911 wireless service.

286 (6) A local entity that increases the levy it imposes under Subsection (3)(c) after the
 287 2004 Annual General Session shall increase the levy to the maximum amount permitted by
 288 Subsection (3)(c).

289 Section 4. Section **69-2-5.6** is amended to read:

290 **69-2-5.6. Emergency services telephone charge to fund statewide unified E-911**
 291 **emergency service.**

292 (1) Subject to Subsection 69-2-5(3)(g), there is imposed a statewide unified E-911
 293 emergency service charge on each local exchange service switched access line and each
 294 revenue producing radio communications access line that is subject to an emergency services
 295 telephone charge levied by a county, city, or town under Section 69-2-5 or 69-2-5.5 at:

296 (a) 13 cents per month until [~~June 30, 2008~~] June 30, 2007; and

297 (b) 8 cents per month on and after [~~July 1, 2008~~] July 1, 2007.

298 (2) The emergency services telephone charge imposed under this section shall be:

299 (a) subject to Subsection 69-2-5(3)(g);

300 (b) billed and collected by the person that provides:

301 (i) local exchange service switched access line services; ~~H→~~ [or] ~~←H~~

302 (ii) radio communications access line services; ~~H→~~ or

302a **(iii) service described in Subsection 69-2-5(3)(a)(iii).** ~~←H~~

303 (c) except for costs retained under Subsection (3), remitted to the State Tax

304 Commission at the same time as the person remits to the State Tax Commission monies

305 collected by the person under Title 59, Chapter 12, Sales and Use Tax Act; and

306 (d) deposited into the Statewide Unified E-911 Emergency Service Fund restricted
307 account in the General Fund created by Section 53-10-603.

308 (3) The person that bills and collects the charges levied by this section pursuant to
309 Subsections (2)(b) and (c) may:

310 (a) bill the charge imposed by this section in combination with the charge levied under
311 Section 69-2-5 as one line item charge; and

312 (b) retain an amount not to exceed 1.5% of the charges collected under this section as
313 reimbursement for the cost of billing, collecting, and remitting the levy.

314 (4) The State Tax Commission shall collect, enforce, and administer the charges
315 imposed under Subsection (1) [~~pursuant to~~] using the same procedures used in the
316 administration, collection, and enforcement of the emergency services telephone charge to fund
317 the Poison Control Center under Section 69-2-5.5.

318 (5) This section sunsets in accordance with Section 63-55-269.

319 Section 5. **Effective date.**

320 This bill takes effect on July 1, 2007.

H.B. 119 1st Sub. (Buff) - Emergency Communication Funding

Fiscal Note

2007 General Session
State of Utah

State Impact

If this bill is enacted, revenue to the Statewide Unified E-911 Emergency Services Fund will decrease by \$2,579,400 in FY 2008 and \$1,146,400 in FY 2009 and beyond. The Utah State Tax Commission will no longer be required to collect a portion of tax on individual telephone lines and will lose dedicated credits associated with collection of such tax equal to \$39,600 in FY 2008 and \$17,600 in FY 2009 and beyond.

Finally, as the State is a consumer of telephone lines, the State would save \$9,700 per year due to the decreased telephone surcharges enacted by this bill.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
General Fund	\$0	(\$6,500)	(\$6,500)	\$0	\$0	\$0
Federal Funds	\$0	(\$3,200)	(\$3,200)	\$0	\$0	\$0
Dedicated Credits	\$0	\$0	\$0	\$0	(\$39,600)	(\$17,600)
Restricted Funds	\$0	\$0	\$0	\$0	(\$2,579,400)	(\$1,146,400)
Total	\$0	(\$9,700)	(\$9,700)	\$0	(\$2,619,000)	(\$1,164,000)

Individual, Business and/or Local Impact

Telecommunications carriers will not longer be required to collect a portion of tax on individual lines and will lose associated revenue of \$39,600 in FY 2008 and \$17,600 in FY 2009 and beyond. Local governments may collect additional tax revenue associated with a \$0.61 per line charge extended to new telecommunications technologies like Voice Over Internet Protocol (VOIP).