

**PREPAID WIRELESS 911 SERVICE CHARGE**

2011 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Brad L. Dee**

Senate Sponsor: Stephen H. Urquhart

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**LONG TITLE**

**General Description:**

This bill provides for the collection of a prepaid wireless 911 service charge from a prepaid wireless customer at the point of retail sale.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ provides for the collection of a prepaid wireless 911 service charge from a prepaid wireless customer at the point of retail sale;
- ▶ describes the responsibilities of a seller to collect the charge from a customer and to remit the charge to the State Tax Commission;
- ▶ describes the responsibilities of the State Tax Commission in collecting and distributing money collected from the prepaid wireless 911 service charge;
- ▶ allows a seller and the State Tax Commission to each retain a portion of money collected from the charge for administration; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on July 1, 2011.

**Utah Code Sections Affected:**

ENACTS:

**69-2-5.7**, Utah Code Annotated 1953

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

Section 1. Section **69-2-5.7** is enacted to read:

**69-2-5.7. Prepaid wireless telecommunications charge to fund 911 service.**

(1) As used in this section:

(a) "Consumer" means a person who purchases prepaid wireless telecommunications service in a transaction.

(b) "Prepaid wireless 911 service charge" means the charge that is required to be collected by a seller from a consumer in the amount established under Subsection (2).

(c) (i) "Prepaid wireless telecommunications service" means a wireless telecommunications service that:

(A) is paid for in advance;

(B) is sold in predetermined units of time or dollars that decline with use in a known amount or provides unlimited use of the service for a fixed amount or time; and

(C) allows a caller to dial 911 to access 911 emergency telephone service.

(ii) "Prepaid wireless telecommunications service" does not include a wireless telecommunications service that is billed:

(A) to a customer on a recurring basis; and

(B) in a manner that includes the emergency services telecommunications charges, described in Sections 69-2-5, 69-2-5.5, and 69-2-5.6, for each radio communication access line assigned to the customer.

(d) "Seller" means a person that sells prepaid wireless telecommunications service to a consumer.

(e) "Transaction" means each purchase of prepaid wireless telecommunications service from a seller.

(f) "Wireless telecommunications service" means commercial mobile radio service as defined by 47 C.F.R. Sec. 20.3, as amended.

(2) There is imposed a prepaid wireless 911 service charge of 1.9% of the sales price

58 per transaction.

59 (3) The prepaid wireless 911 service charge shall be collected by the seller from the  
60 consumer for each transaction occurring in this state.

61 (4) The prepaid wireless 911 service charge shall be separately stated on an invoice,  
62 receipt, or similar document that is provided by the seller to the consumer.

63 (5) For purposes of Subsection (3), the location of a transaction is determined in  
64 accordance with Sections 59-12-211 through 59-12-215.

65 (6) When prepaid wireless telecommunications service is sold with one or more other  
66 products or services for a single non-itemized price, then the percentage specified in Section  
67 (2) shall apply to the entire non-itemized price.

68 (7) A seller may retain 3% of prepaid wireless 911 service charges that are collected by  
69 the seller from consumers as reimbursement for the cost of billing, collecting, and remitting the  
70 charge.

71 (8) Prepaid wireless 911 service charges collected by a seller, except as retained under  
72 Subsection (7), shall be remitted to the State Tax Commission at the same time as the seller  
73 remits to the State Tax Commission money collected by the person under Title 59, Chapter 12,  
74 Sales and Use Tax Act.

75 (9) The State Tax Commission:

76 (a) shall collect, enforce, and administer the charge imposed under this section using  
77 the same procedures used in the administration, collection, and enforcement of the state sales  
78 and use taxes under:

79 (i) Title 59, Chapter 1, General Taxation Policies; and

80 (ii) Title 59, Chapter 12, Part 1, Tax Collection, except for:

81 (A) Section 59-12-104;

82 (B) Section 59-12-104.1;

83 (C) Section 59-12-104.2;

84 (D) Section 59-12-107.1; and

85 (E) Section 59-12-123;

86           (b) may retain up to 1.5% of the prepaid wireless 911 service charge revenue collected  
87 under Subsection (9)(a) as reimbursement for administering this section;

88           (c) shall distribute the prepaid wireless 911 service charge revenue, except as retained  
89 under Subsection (9)(b), as follows:

90           (i) 80.3% of the revenue shall be distributed to each county, city, or town in the same  
91 percentages and in the same manner as the entities receive money to fund 911 emergency  
92 telecommunications services under Section 69-2-5;

93           (ii) 9.2% of the revenue shall be distributed to fund the Poison Control Center as in  
94 Section 69-2-5.5; and

95           (iii) 10.5% of the revenue shall be distributed to fund the statewide unified E-911  
96 emergency service as in Section 69-2-5.6; and

97           (d) may make rules in accordance with Title 63G, Chapter 3, Utah Administrative  
98 Rulemaking Act, to administer, collect, and enforce the charges imposed under this section.

99           Section 2. **Effective date.**

100           This bill takes effect on July 1, 2011.