

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1172

A bill to amend 1986 PA 32, entitled
"Emergency telephone service enabling act,"
by amending sections 301, 401, and 717 (MCL 484.1301, 484.1401, and
484.1717), section 301 as amended by 1994 PA 29, section 401 as
amended by 1999 PA 81, and section 717 as added by 1999 PA 79, and
by adding section 413.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 301. (1) The board of commissioners of a county may
2 establish an emergency telephone district within all or part of the
3 county and may cause 9-1-1 service to be implemented within ~~such~~
4 **THE** emergency telephone district ~~pursuant to~~ **UNDER** this act.

5 (2) The board of commissioners of a county all or part of
6 which is operating an existing emergency telephone service may
7 modify the existing emergency telephone service or may alter the

1 scope or method of financing of 9-1-1 service within all or part of
2 the county by establishing an emergency telephone district and
3 causing 9-1-1 service to be implemented within ~~such~~ **THE** emergency
4 telephone district ~~pursuant to~~ **UNDER** this act.

5 (3) The board of commissioners of a county may create an
6 emergency telephone district board and delegate certain powers to
7 the board.

8 (4) If the board of commissioners of a county has created
9 multiple emergency telephone districts ~~prior to the effective date~~
10 ~~of this subsection~~ **BEFORE MARCH 2, 1994**, the emergency telephone
11 districts created shall receive all operational funds collected by
12 the service supplier of the district and operate the systems as
13 provided by this act.

14 Sec. 401. (1) An emergency telephone district board, a 9-1-1
15 service district as defined in section 102 and created ~~pursuant to~~
16 **UNDER** section 201b, or a county on behalf of a 9-1-1 service area
17 created by the county may enter into an agreement with a public
18 agency that does either of the following:

19 (a) Grants a specific pledge or assignment of a lien on or a
20 security interest in any money received by a 9-1-1 service district
21 for the benefit of qualified obligations.

22 (b) Provides for payment directly to the public entity issuing
23 qualified obligations of a portion of the emergency telephone
24 operational charge sufficient to pay when due principal of and
25 interest on qualified obligations.

26 (2) A pledge, assignment, lien, or security interest for the
27 benefit of qualified obligations is valid and binding from the time

1 the qualified obligations are issued without a physical delivery or
2 further act. A pledge, assignment, lien, or security interest is
3 valid and binding and has priority over any other claim against the
4 emergency telephone district board, the 9-1-1 service district, or
5 any other person with or without notice of the pledge, assignment,
6 lien, or security interest.

7 (3) Except as provided in sections 407 to 412, each service
8 supplier within a 9-1-1 service district shall provide a billing
9 and collection service for an emergency telephone technical charge
10 and emergency telephone operational charge from all service users
11 of the service supplier within the geographical boundaries of the
12 emergency telephone or 9-1-1 service district. The billing and
13 collection of the emergency telephone operational charge and that
14 portion of the technical charge used for billing cost shall begin
15 as soon as feasible after the final 9-1-1 service plan has been
16 approved. The billing and collection of the emergency telephone
17 technical charge not already collected for billing costs shall
18 begin as soon as feasible after installation and operation of the
19 9-1-1 system. The emergency telephone technical charge and
20 emergency telephone operational charge shall be uniform per each
21 exchange access facility within the 9-1-1 service district. The
22 portion of the emergency telephone technical charge that represents
23 start-up costs, nonrecurring billing, installation, service, and
24 equipment charges of the service supplier, including the costs of
25 updating equipment necessary for conversion to 9-1-1 service, shall
26 be amortized at the prime rate plus 1% over a period not to exceed
27 10 years and shall be billed and collected from all service users

1 only until those amounts are fully recouped by the service
2 supplier. The prime rate to be used for amortization shall be set
3 before the first assessment of nonrecurring charges and remain at
4 that rate for 5 years, at which time a new rate may be set for the
5 remaining amortization period. Recurring costs and charges included
6 in the emergency telephone technical charge and emergency telephone
7 operational charge shall continue to be billed to the service user.

8 (4) Except as provided in sections 407 to 412 and subject to
9 the limitation provided by this section, the amount of the
10 emergency telephone technical charge and emergency telephone
11 operational charge to be billed to the service user shall be
12 computed by dividing the total emergency telephone technical charge
13 and emergency telephone operational charge by the number of
14 exchange access facilities within the 9-1-1 service district.

15 (5) Except as provided in subsection (7) and sections 407 to
16 412, the amount of emergency telephone technical charge payable
17 monthly by a service user for recurring costs and charges shall not
18 exceed 2% of the lesser of \$20.00 or the highest monthly rate
19 charged by the service supplier for **PRIMARY** basic local exchange
20 service ~~pursuant to~~ **UNDER** section ~~304b~~ **304** of the Michigan
21 telecommunications act, 1991 PA 179, MCL ~~484.2304b~~ **484.2304**,
22 within the 9-1-1 service district. The amount of emergency
23 telephone technical charge payable monthly by a service user for
24 nonrecurring costs and charges shall not exceed 5% of the lesser of
25 \$20.00 or the highest monthly rate charged by the service supplier
26 for **PRIMARY** basic local exchange service ~~pursuant to~~ **UNDER**
27 section ~~304b~~ **304** of the Michigan telecommunications act, 1991 PA

1 179, MCL ~~484.2304b~~ **484.2304**, within the 9-1-1 service district.
2 With the approval of the county board of commissioners, a county
3 may assess an amount for recurring emergency telephone operational
4 costs and charges that shall not exceed 4% of the lesser of \$20.00
5 or the highest monthly rate charged by the service supplier for
6 **PRIMARY** basic local exchange service ~~pursuant to~~ **UNDER** section
7 ~~304b~~ **304** of the Michigan telecommunications act, 1991 PA 179, MCL
8 ~~484.2304b~~ **484.2304**, within the geographical boundaries of the
9 assessing county. The percentage to be set for the emergency
10 telephone operational charge shall be established by the county
11 board of commissioners ~~pursuant to~~ **UNDER** section 312. A change to
12 the percentage set for the emergency telephone operational charge
13 may be made only by the county board of commissioners. The
14 difference, if any, between the amount of the emergency telephone
15 technical charge computed under subsection (4) and the maximum
16 permitted under this section shall be paid by the county from funds
17 available to the county or through cooperative arrangements with
18 public agencies within the 9-1-1 service district.

19 (6) Except as provided in sections 407 to 412, the emergency
20 telephone technical charge and emergency telephone operational
21 charge shall be collected in accordance with the regular billings
22 of the service supplier. The amount collected for emergency
23 telephone operational charge shall be paid by the service supplier
24 to the county that authorized the collection. The emergency
25 telephone technical charge and emergency telephone operational
26 charge payable by service users pursuant to this act shall be added
27 to and shall be stated separately in the billings to service users.

1 (7) Except as provided in sections 407 to 412, for a 9-1-1
2 service district created or enhanced after June 27, 1991, the
3 amount of emergency telephone technical charge payable monthly by a
4 service user for recurring costs and charges shall not exceed 4% of
5 the lesser of \$20.00 or the highest monthly rate charged by the
6 service supplier for **PRIMARY** basic local exchange service ~~pursuant~~
7 ~~to~~ **UNDER** section ~~304b~~ **304** of the Michigan telecommunications
8 act, 1991 PA 179, MCL ~~484.2304b~~ **484.2304**, within the 9-1-1
9 service district.

10 (8) Except as provided in sections 407 to 412, a county may,
11 with the approval of the voters in the county, assess up to 16% of
12 the lesser of \$20.00 or the highest monthly rate charged by the
13 service supplier for **PRIMARY** basic local exchange service ~~pursuant~~
14 ~~to~~ **UNDER** section ~~304b~~ **304** of the Michigan telecommunications
15 act, 1991 PA 179, MCL ~~484.2304b~~ **484.2304**, within the geographical
16 boundaries of the assessing county or assess a millage or
17 combination of the 2 to cover emergency telephone operational
18 costs. In a ballot question under this subsection, the board of
19 commissioners shall specifically identify how the collected money
20 is to be distributed. An affirmative vote on a ballot question
21 under this subsection shall be considered an amendment to the 9-1-1
22 service plan pursuant to section 312. Not more than 1 ballot
23 question under this subsection may be submitted to the voters
24 within any 12-month period. An assessment approved under this
25 subsection shall be for a period not greater than 5 years.

26 (9) The total emergency telephone operational charge as
27 prescribed in subsections (5) and (8) shall not exceed 20% of the

1 lesser of \$20.00 or the highest monthly flat rate charged for
2 **PRIMARY** basic service by a service supplier for a 1-party access
3 line.

4 (10) Except as provided in sections 407 to 412, if the voters
5 approve the charge to be assessed on the service user's telephone
6 bill on a ballot question under subsection (8), the service
7 provider's bill shall state the following:

8 "This amount is for your 9-1-1 service which has been approved
9 by the voters on (DATE OF VOTER APPROVAL). This is not a charge
10 assessed by your telephone carrier. If you have questions
11 concerning your 9-1-1 service, you may call (INCLUDE APPROPRIATE
12 TELEPHONE NUMBER)."

13 (11) Except as provided in sections 407 to 412, an annual
14 accounting shall be made of the emergency telephone operational
15 charge approved ~~pursuant to~~ **UNDER** this act in the same manner as
16 the annual accounting required by section 405.

17 (12) Except as otherwise provided in subsection (13), or as
18 provided in sections 407 to 412, the emergency telephone
19 operational charge collected ~~pursuant to~~ **UNDER** this section shall
20 be distributed by the county or the counties to the primary PSAPs
21 by 1 of the following methods:

22 (a) As provided in the final 9-1-1 service plan.

23 (b) If distribution is not provided for in the plan, then
24 according to any agreement for distribution between the county and
25 public agencies.

26 (c) If distribution is not provided in the plan or by
27 agreement, then according to the distribution of access lines

1 within the primary PSAPs.

2 (13) Except as provided in sections 407 to 412, if a county
3 had multiple emergency telephone districts before the effective
4 date of the amendatory act that added this subsection, then the
5 emergency telephone operational charge collected ~~pursuant to~~
6 **UNDER** this section shall be distributed in proportion to the amount
7 of access lines within the primary PSAPs.

8 (14) Except as provided in sections 407 to 412, this section
9 shall not preclude the distribution of funding to secondary PSAPs
10 if the distribution is determined by the primary PSAPs within the
11 emergency telephone district to be the most effective method for
12 dispatching of fire or emergency medical services and the
13 distribution is approved within the final 9-1-1 service plan.

14 (15) Notwithstanding any other provision of this act, the
15 emergency telephone technical charge and the emergency telephone
16 operational charge shall not be levied or collected after December
17 31, ~~2006~~ 2007. ~~However, if~~ **IF** all or a portion of the emergency
18 telephone operational charge has been pledged as security for the
19 payment of qualified obligations, the emergency telephone
20 operational charge shall be levied and collected only to the extent
21 required to pay the qualified obligations or satisfy the pledge.

22 **SEC. 413. (1) THE STATE 9-1-1 DIRECTOR SHALL ISSUE A REPORT TO**
23 **THE LEGISLATURE AND THE GOVERNOR NO LATER THAN DECEMBER 1, 2006,**
24 **PROVIDING RECOMMENDATIONS FOR STABLE, EQUITABLE LONG-TERM FUNDING**
25 **OF THE 9-1-1 SYSTEM IN THIS STATE AND RECOMMENDATIONS, IF ANY, FOR**
26 **THE ESTABLISHMENT OF STANDARDS FOR THE TRAINING AND RESPONSE TIME**
27 **OF 9-1-1 PERSONNEL.**

1 (2) THE REPORT SHALL CONTAIN A RECOMMENDATION THAT ANY 9-1-1
2 FEES COLLECTED FROM COMMUNICATIONS PROVIDERS ARE ASSESSED IN A
3 COMPETITIVELY NEUTRAL MANNER.

4 Sec. 717. This act is repealed effective December 31, ~~2006~~
5 2007.