

# Legislative Analysis

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## COUNTY 911 CHARGES

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**House Bill 6070 (Substitute H-3)**  
**Sponsor: Rep. Jeff Mayes**  
**Committee: Energy and Technology**

**Complete to 11-10-08**

## A SUMMARY OF HOUSE BILL 6070 (H-3) AS REPORTED FROM COMMITTEE 11-6-08

The bill would amend the Emergency 911 Services Enabling Act to impose limitations on the amount of 911 charges assessed by counties against service users, push back the date by which counties have to notify the Emergency 911 Service Committee of pending changes in the 911 charge, expand the prohibition on the release of proprietary information under the Freedom of Information Act, require an annual accounting of technical charges collected by service providers, and push back the sunset date to 2014.

### 911 Charge Limits

The act permits counties to impose a 911 charge through adoption of a resolution, through a property tax millage with voter approval, or through a combination of the two. (Counties can also operate their 911 services without imposing a specific 911 charge, choosing instead to fund their 911 services with other county funds.) The bill would delete the specific reference to imposing the 911 charge through a property tax millage, and further provide that a county could impose a 911 charge of up to \$0.42 per month by adoption of a resolution by the board of commissioners. Any 911 charge above \$0.42 (up to a total charge of \$3.00) would require voter approval.

A county that currently assesses a 911 charge that exceeds the \$0.42 limit or the \$3.00 limit, under an order approved by the Michigan Public Service Commission (MPSC) in Case No. U-15489 could continue to assess the amount approved by the commission.<sup>1</sup> However, proposed increases to those charges would then be subject to the limitations provided above.

### Notification of Emergency 911 Service Committee

Under current law, counties are required to notify the Emergency 911 Service Committee (ENSC) of any changes to the 911 charge by April 1 of each year. (The 911 charges first take effect on July 1 of each year.) The bill pushes the notification date back from April 1 to May 15.

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<sup>1</sup> The MPSC's website, <http://efile.mpsc.cis.state.mi.us/efile/viewcase.php?casenum=15489>, includes copies of all of the commission's orders in Case No. U-15489, materials submitted by counties related to their proposed 911 charges, and copies submitted by interested parties.

## **Disclosure of Proprietary Information**

The act currently exempts information submitted by a service provider to a county from disclosure under the Freedom of Information Act, and prohibits the county from releasing that information without the prior consent of the service provider. The bill expands the exemption/prohibition from disclosure so as to include the disclosure by a county treasurer, the MPSC, the ENSC, public safety answering point (PSAP), or local governmental unit of information concerning customers, revenue and expenses, or access line counts, or other commercial or proprietary information of a service provider. The exemption/prohibition does not apply to aggregated information that does not have the effect of identifying specific service providers or when disclosure is required or permitted by statute, court rule, subpoena, court order, or as otherwise necessary in the course of litigation or public contract.

## **Review of Technical Charges**

The act permits local exchange providers to impose separate technical charges for recurring and non-recurring costs. The charge for recurring costs is generally limited to \$0.80 per month, and the charge for nonrecurring costs is generally limited to \$1.00.

The bill would require service providers collecting a technical charge to make an annual accounting of the amount of revenue collected. If it is determined that the total revenue collected in the prior year exceed the cost of providing 911 service within the same period, the technical charge would be adjusted (reduced) by the dividend of (1) the excess revenue and (2) number of exchange access facilities within the 911 service district. If total revenue collected is less than the costs of providing 911 services, the technical charge would be increased using the same calculation, although the total technical charges would still be subject to the limits provided in current law.

## **Sunset**

The act has a sunset date of February 28, 2009. The bill would extend the sunset date to December 31, 2014.

MCL 484.1401a

## **FISCAL IMPACT:**

The bill would have an indeterminate, though potentially negative, fiscal impact on counties. As indicated in the chart below, currently no county assesses a monthly 911 charge that exceeds \$3.00, so the bill wouldn't immediately affect counties. Most counties impose a 911 charge above \$0.42 which, under the bill, is the maximum amount a county may charge without subsequent voter approval. These current charges would be grandfathered, although any future increase to a charge above \$0.42 would require voter approval. It's not known what counties will charge in future years for 911 services, whether counties would "trigger" the \$3.00 total limit imposed in the bill or the \$0.42 limit, or whether voters will ultimately approve 911 charges where their approval is required. At present, the act generally does not include any limitations on county 911 charges, except on the amount charged initially under

the act, as amended by Public Acts 164 and 165 of 2007 (Senate Bills 410 and 411) for the current year.

Eliminating the specific reference to the imposition of a county 911 through a property tax millage would have no fiscal impact, as the change appears to be a clarification of existing practice rather than a substantive policy change. (Counties could still fund 911 services under their general taxing authority.) Current law - "a county board of commissioners may, by resolution, millage as otherwise provided by law...assess a county 911 charge" - appears to include a 911 millage within the meaning of a "911 charge." However, a reading of other provisions in the act relative to the 911 charge, such as rate changes taking effect each July 1, and collection by service providers, clearly indicates that they do not apply to 911 millages. Moreover, the MPSC's actions regarding 911 charges in 2008 did not apply to 911 millages.

### **BACKGROUND INFORMATION:**

Earlier this session, the Legislature and Governor Granholm enacted Public Acts 164 and 165 of 2007 (Senate Bills 410 and 411). Among other things, the acts altered the funding of 911 services by expanding the state and local charges to include all types of telephone devices which, in theory, enabled the charges to be reduced. The state 911 charge of \$0.29, which was previously applied to post-paid wireless (cellular) phones, was reduced to \$0.19 and applied to landline, Voice Over Internet Protocol (VOIP) phones, and pre-paid cellular phones as well. County 911 charges, which previously were assessed against landline telephones, were expanded to also include pre-paid and post-paid cellular phones, and VOIP phones. The new charges took effect on July 1, 2008.

The act required counties to submit their 911 charges to the MPSC, and limited revenue increases over the prior year to 2.7 percent. In Case No. U-15489, the MPSC issued an order on January 2, 2008 directing counties, as required by the act, to submit to the MPSC information about the proposed surcharge (collected beginning July 1), the estimated revenue for 2007, and the estimated revenue for 2008. On March 11, 2008, the MPSC issued an order approving surcharges assessed in 22 counties. The commission disapproved (and reduced) charges proposed by 46 counties, on the grounds the disapproved charges would have resulted in an increase in excess of the 2.7 percent statutory limit. (Fifteen counties did not provide information requesting a 911 charge.) Subsequently, 26 counties filed petitions with the MPSC for a rehearing or filed claims of appeal with the Court of Appeals. The MPSC approved the charges requested by Grand Traverse and Calhoun counties, and disapproved requested charges of Huron and Muskegon counties. Appeals to the Court of Appeals and the Supreme Court were denied. While Public Act 164 and 165 limited revenue increase from the prior year to 2.7 percent, there is no similar cap on revenue (therefore, charges) for later years.

Legislative/Fiscal Analyst: Mark Wolf

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

County	Technical Charge		County 911 Charge	Total Charges	2008 Est. Revenue County 911 Charge
	Recurring	Non-Recurring			
Alcona	\$0.36	\$0.00	\$2.10	\$2.46	\$267,252
Alger	\$0.24	\$0.00	\$0.18	\$0.42	\$25,021
Allegan	\$0.23	\$0.00	\$1.63	\$1.86	\$1,998,282
Alpena	\$0.28	\$0.00	\$2.14	\$2.42	\$730,036
Antrim	\$0.48	\$0.00	\$1.97	\$2.45	\$491,610
Arenac	\$0.28	\$0.00	\$0.32	\$0.60	\$60,980
Baraga	\$0.00	\$0.00	\$0.00	\$0.00	\$0
Barry	\$0.23	\$0.00	\$0.00	\$0.23	\$0
Bay	\$0.20	\$0.00	\$0.00	\$0.20	\$0
Benzie	\$0.18	\$0.00	\$2.13	\$2.31	\$371,268
Berrien	\$0.00	\$0.00	\$0.42	\$0.42	\$747,200
Branch	\$0.35	\$0.00	\$0.31	\$0.66	\$138,600
Calhoun	\$0.25	\$0.00	\$0.60	\$0.85	\$679,285
Cass	\$0.30	\$0.00	\$1.18	\$1.48	\$656,598
Charlevoix	\$0.22	\$0.00	\$0.51	\$0.73	\$144,631
Cheboygan	\$0.22	\$0.00	\$0.50	\$0.72	\$144,600
Chippewa	\$0.33	\$0.00	\$0.99	\$1.32	\$415,865
Clare	\$0.24	\$0.00	\$0.47	\$0.71	\$159,109
Clinton	\$0.34	\$0.00	\$2.00	\$2.34	\$1,508,823
Crawford	\$0.35	\$0.00	\$2.35	\$2.70	\$364,277
Delta	\$0.23	\$0.00	\$0.44	\$0.67	\$186,327
Dickinson	\$0.49	\$0.00	\$0.41	\$0.90	\$122,126
Eaton	\$0.19	\$0.00	\$0.00	\$0.19	\$0
Emmet	\$0.22	\$0.00	\$0.58	\$0.80	\$196,616
Genesee	\$0.21	\$0.00	\$1.24	\$1.45	\$5,892,706
Gladwin	\$0.21	\$0.00	\$0.51	\$0.72	\$144,069
Gogebic	\$0.15	\$0.00	\$0.30	\$0.45	\$56,897
Grand Traverse	\$0.24	\$0.00	\$0.66	\$0.90	\$570,610
Gratiot	\$0.29	\$0.00	\$1.29	\$1.58	\$593,019
Hillsdale	\$0.50	\$0.00	\$1.20	\$1.70	\$609,547
Houghton	\$0.24	\$0.00	\$1.10	\$1.34	\$430,103
Huron	\$0.26	\$0.00	\$1.87	\$2.13	\$734,940
Ingham	\$0.25	\$0.00	\$0.31	\$0.56	\$840,000
Ionia	\$0.22	\$0.00	\$1.77	\$1.99	\$1,182,160
Iosco	\$0.23	\$0.00	\$1.85	\$2.08	\$550,503
Iron	\$0.32	\$0.00	\$1.61	\$1.93	\$236,052
Isabella	\$0.35	\$0.00	\$1.50	\$1.85	\$1,034,460
Jackson	\$0.23	\$0.00	\$0.44	\$0.67	\$749,644
Kalamazoo	\$0.20	\$0.00	\$0.00	\$0.20	\$0
Kalkaska	\$0.31	\$0.00	\$2.52	\$2.83	\$466,027
Kent	\$0.17	\$0.00	\$0.45	\$0.62	\$1,442,156
Keweenaw	\$0.00	\$0.00	\$0.00	\$0.00	\$0
Lake	\$0.25	\$0.00	\$2.51	\$2.76	\$309,356
Lapeer	\$0.12	\$0.00	\$1.55	\$1.67	\$1,483,869
Leelanau	\$0.25	\$0.00	\$0.00	\$0.25	\$0
Lenawee	\$0.33	\$0.00	\$1.18	\$1.51	\$1,253,610

County	Technical Charge		County 911 Charge	Total Charges	2008 Est. Revenue County 911 Charge
	Recurring	Non-Recurring			
Livingston	\$0.18	\$0.00	\$1.85	\$2.03	\$3,216,200
Luce	\$0.32	\$0.00	\$0.99	\$1.31	\$77,600
Mackinac	\$0.26	\$0.00	\$1.43	\$1.69	\$186,339
Macomb	\$0.20	\$0.00	\$0.00	\$0.20	\$0
Manistee	\$0.26	\$0.00	\$0.00	\$0.26	\$0
Marquette	\$0.20	\$0.00	\$0.00	\$0.20	\$0
Mason (1)	\$0.28	\$0.00	\$2.09	\$2.37	\$1,255,840
Mecosta	\$0.27	\$0.00	\$1.50	\$1.77	\$662,437
Menominee	\$0.34	\$0.00	\$1.30	\$1.64	\$357,396
Midland	\$0.26	\$0.00	\$0.00	\$0.26	\$0
Missaukee	\$0.41	\$0.00	\$0.00	\$0.41	\$0
Monroe	\$0.23	\$0.00	\$0.39	\$0.62	\$625,037
Montcalm	\$0.47	\$0.00	\$1.89	\$2.36	\$1,258,640
Montmorency	\$0.36	\$0.00	\$1.47	\$1.83	\$221,408
Muskegon	\$0.25	\$0.00	\$0.34	\$0.59	\$630,919
Newaygo	\$0.60	\$0.00	\$1.56	\$2.16	\$810,977
Oakland	\$0.23	\$0.01	\$0.18	\$0.42	\$2,304,550
Oceana (1)	\$0.28	\$0.00	\$2.09	\$2.37	\$1,255,840
Ogemaw	\$0.25	\$0.00	\$0.59	\$0.84	\$138,941
Ontonagon	\$0.41	\$0.10	\$0.51	\$1.02	\$43,774
Osceola	\$0.27	\$0.00	\$1.50	\$1.77	\$379,130
Oscoda	\$0.46	\$0.00	\$0.45	\$0.91	\$45,945
Otsego	\$0.48	\$0.00	\$1.72	\$2.20	\$436,358
Ottawa	\$0.21	\$0.00	\$0.00	\$0.21	\$0
Presque Isle	\$0.34	\$0.00	\$0.31	\$0.65	\$48,512
Roscommon	\$0.35	\$0.00	\$0.00	\$0.35	\$0
Saginaw	\$0.22	\$0.00	\$2.18	\$2.40	\$4,983,523
Sanilac	\$0.22	\$0.00	\$0.44	\$0.66	\$211,562
Schoolcraft	\$0.32	\$0.12	\$0.40	\$0.84	\$46,000
Shiawassee	\$0.35	\$0.00	\$1.22	\$1.57	\$941,169
St. Clair	\$0.20	\$0.00	\$0.41	\$0.61	\$735,332
St. Joseph	\$0.26	\$0.00	\$0.00	\$0.26	\$0
Tuscola	\$0.20	\$0.00	\$1.80	\$2.00	\$1,139,970
Van Buren	\$0.24	\$0.00	\$0.41	\$0.65	\$339,620
Washtenaw	\$0.19	\$0.00	\$0.43	\$0.62	\$1,509,829
Wayne (2)					
- Detroit	\$0.23	\$0.00	\$0.34	\$0.57	\$7,548,114
- Downriver	\$0.17	\$0.00	\$0.34	\$0.51	\$7,548,114
- East Wayne	\$0.19	\$0.00	\$0.34	\$0.53	\$7,548,114
- West Wayne	\$0.20	\$0.01	\$0.34	\$0.55	\$7,548,114
Wexford	\$0.24	\$0.00	\$0.25	\$0.49	\$103,114
<b>Total</b>					<b>\$58,246,470</b>

Source: Emergency 911 Service Committee, 2008 Report to the Legislature (August 1, 2008) and Michigan Public Service Commission, Opinion and Order, Case No. U-15489 (June 3, 2008).

(1) Mason and Oceana Counties operate a combined 911 service; the revenue figures cited in each county is the combined revenue amount.

(2) The revenue figure for the Wayne County 911 charge is a combined, county-wide amount.

(3) Rates are those in effect as of August 1, 2008.