

Senate Fiscal Agency  
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**SFA**



**BILL ANALYSIS**

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Senate Bill 1009 (Substitute S-3)  
Senate Bill 1010 (Substitute S-3)  
Sponsor: Senator Christopher D. Dingell (Senate Bill 1009)  
Senator William Van Regenmorter (Senate Bill 1010)  
First Committee: Judiciary  
Second Committee: Technology and Energy

Date Completed: 5-19-98

## CONTENT

The bills would amend the Emergency Telephone Service Enabling Act to do all of the following:

- Authorize various types of entities that govern local 9-1-1 districts to pledge revenues for the repayment of qualified obligations.
- Revise certain user fees for 9-1-1 services.
- Prohibit a public service agency from withdrawing its jurisdiction from a 9-1-1 service district until outstanding qualified obligations were paid.
- Provide that the emergency telephone technical charge and the emergency telephone operational charge could not be collected after 2006.
- Require a supplier of telephone services, other than a commercial mobile radio service (CMRS) supplier, to provide to a 9-1-1 database service provider accurate information pertaining to service users.
- Require a CMRS supplier to provide accurate database information for location and number identification, in compliance with a Federal Communications Commission (FCC) wireless emergency service order.
- Require that the emergency telephone service committee provide technical assistance in formulating and implementing a 9-1-1 service plan.
- Require that a CMRS supplier, county, public agency, or public service agency that had a dispute with another of those entities request assistance from the emergency telephone service committee.

- Provide that it would be a misdemeanor knowingly to use or attempt to use an emergency telephone service for a purpose other than to call for an emergency response service from a primary public safety answering point.

The bills are tie-barred to each other and to House Bills 5289 and 5653, which also would amend the Emergency Telephone Service Enabling Act to provide for wireless emergency telephone service.

Senate Bill 1010 (S-3) would take effect 120 days after its enactment, and could not be construed to affect any cause of action pending in any court of this State before the bill's effective date.

### Senate Bill 1009 (S-3)

#### Qualified Obligations

Under the bill, an emergency telephone district board, a 9-1-1 service district, or a county, on behalf of a 9-1-1 service area created by the county, could enter into an agreement with a public agency to do either of the following:

- Grant a specific pledge or assignment of a lien on, or a security interest in, any money received by a 9-1-1 service district for the benefit of qualified obligations.
- Provide for payment directly to the public entity issuing qualified obligations of a portion of telephone operational charges sufficient to pay, when due, principal of and interest on qualified obligations.

A pledge, assignment, lien, or security interest for the benefit of qualified obligations would be valid and binding from the time they were issued, without a physical delivery or further act. A pledge, assignment, lien, or security interest would be valid and binding and have priority over any other claim against the emergency telephone district board, the 9-1-1 service district, or any other person with or without notice of the pledge, assignment, lien, or security interest.

(Senate Bill 1010 (S-3) would define "obligations" as bonds, notes, installment purchase contracts, or lease purchase agreements to be issued by a public agency under a Michigan law. "Qualified obligations" would mean obligations whose proceeds benefited the 9-1-1 district and for which all of the following conditions were met:

- The proceeds were used for capital expenditures, costs of a reserve fund securing the obligations, and costs of issuance. The proceeds could not be used for operational expenses.
- The weighted average maturity of the obligations did not exceed the useful life of the capital assets.
- The obligations could not in whole or in part appreciate in principal amount or be sold at a discount of more than 10%.

Qualified obligations also would include obligations issued to refund obligations described above if 1) the net present value of the principal and interest to be paid on the refunding obligations, excluding the cost of issuance, would be less than the net present value of the principal and interest to be paid on the obligations being refunded; and/or 2) the obligations being refunded were financed by a voter-approved millage.)

#### User Fees

The Act specifies that the amount of emergency telephone technical charge payable monthly by a service user for recurring costs and charges may not exceed 2% of the highest monthly flat rate charged by a service supplier for a one-party access line. Under the bill, that fee could not exceed 2% of the lesser of \$20 or the highest monthly rate charged by the service supplier for basic local exchange service.

Currently, the amount of emergency telephone technical charge payable monthly by a service user for nonrecurring costs and charges may not exceed 5% of the highest monthly flat rate charged by the

service supplier for a one-party access line. Under the bill, that fee could not exceed 5% of the lesser of \$20 or the highest monthly rate charged by the service supplier for basic local exchange service.

Currently, with the approval of the county board of commissioners, a county may assess an amount for recurring emergency telephone operational costs and charges that may not exceed 4% of the highest monthly flat rate charged by a service supplier for a one-party access line. Under the bill, that fee could not exceed 4% of the lesser of \$20 or the highest monthly rate charged by the service supplier for basic local exchange service. The Act provides that the percentage to be set for the operational charge must be established by the county board of commissioners. The bill would add that a change to that percentage could be made only by the county board of commissioners.

For a 9-1-1 service district created or enhanced after June 27, 1991, the amount of emergency telephone technical charge payable monthly by a service user for recurring costs and charges may not exceed 4% of the highest monthly flat rate charged by the service supplier for a one-party access line. Under the bill, that fee could not exceed 4% of the lesser of \$20 or the highest monthly rate charged by the service supplier for basic local exchange service.

Currently, a county may, with the approval of the county's voters, assess up to 16% of the highest monthly flat rate charged by a service supplier for a one-party access line. Under the bill, that fee could not exceed 16% of the lesser of \$20 or the highest monthly rate charged by the service supplier for basic local exchange service.

Assessments approved under the Act must be for a period of not greater than five years. Under the bill, the fees could be for a period of up to five years, unless the period specified in the ballot question for which the outstanding qualified obligations were payable, was greater than five years.

The bill also specifies that the total combination of emergency telephone operational charges could not exceed 20% of the lesser of \$20 or the highest monthly flat rate charged by a service supplier for a one-party access line.

The bill provides that, notwithstanding any other provision of the Act, the emergency telephone technical charge and the emergency telephone operational charge could not be levied or collected

after December 31, 2006. If all or part of the operational charge, however, had been pledged as security for the payment of qualified obligations, the operational charge could be levied and collected only to the extent required to pay the obligations or satisfy the pledge.

#### Jurisdictional Withdrawal

Under the bill, a public service agency could not withdraw any part of its jurisdiction from a 9-1-1 service district until all outstanding qualified obligations secured by emergency telephone operational charges incurred after the agency was added to the 9-1-1 service area and agreed to by the withdrawing agency and the remainder of the 9-1-1 service district were paid or other provisions were made to pay the obligations.

### **Senate Bill 1010 (S-3)**

#### Supplier Requirements

The bill specifies that, except for a “commercial mobile radio service” supplier, a “service supplier” would have to provide to a 9-1-1 database service provider accurate database information, including the name, service location, and telephone number of each user. The information would have to be provided in a format established and distributed by that database service provider. The information would have to be provided within one business day after the initiation of service or the processing of a service order change or within one business day after the receipt of database information from a service supplier or service district.

A CMRS supplier would have to provide to the 9-1-1 database service provider accurate database information for automatic location identification (ALI) and automatic number identification (ANI), in compliance with the FCC’s wireless emergency service order. A service district would have to notify the service supplier or the database provider within one business day of any address coming to the service district’s attention that did not match the master street address guide.

“Service supplier” currently means a provider of telephone service to a service user in Michigan. The bill would add a CMRS provider to this definition.

“Commercial mobile radio service” or “CMRS” would mean a commercial mobile radio service regulated under Section 3 of Title I and Section 332 of Title III of the Federal Communications Act (47 USC 153 & 332) and the rules of the FCC, or

provided pursuant to the wireless emergency service order of the FCC (adopted June 12, 1996, and effective October 1, 1996). The term would include all of the following:

- A wireless two-way communication device, including a radio telephone used in cellular telephone service or personal communication service.
- A functional equivalent of a radio telephone communications line used in cellular telephone service or personal communication service.
- A network radio access line.

“Database service provider” would mean a service supplier that maintained and supplied or contracted to maintain and supply an automatic location identification database or a master street address guide.

“Automatic location identification” means a 9-1-1 service feature that automatically provides to the 9-1-1 public safety answering point the name or location, or both, associated with the calling party’s telephone number. “Automatic number identification” means a 9-1-1 service feature that automatically provides to the 9-1-1 public safety answering point the calling party’s billing telephone number.

#### Technical Assistance and Dispute Resolution

Upon the request of a CMRS supplier, county, public agency, or public service agency, the emergency telephone service committee (in the Department of State Police), to the extent possible, would have to provide technical assistance in formulating and implementing a 9-1-1 service plan. The committee also would have to provide assistance in resolving a dispute between or among a CMRS supplier, county, public agency, or public service agency regarding their respective rights and duties under the Act.

A CMRS supplier, county, public agency, or public service agency, or a combination of those entities, that had a dispute with another of those entities, arising from the formulation or implementation, or both, of a 9-1-1 service plan, would have to request assistance from the emergency telephone service committee in resolving the dispute.

#### Criminal Offense

The bill would prohibit the use of an emergency telephone service or an emergency CMRS authorized by the Act for any reason other than to

call for an emergency response service from a primary public safety answering point. A knowing violation of that prohibition would be a misdemeanor, punishable by up to 93 days' imprisonment, a maximum fine of \$1,000, or both. A second or subsequent violation would be a felony, punishable by up to two years' imprisonment, a maximum fine of \$2,000, or both.

These provisions would not apply to a person who called a public safety answering point to report a crime or seek assistance that was not an emergency unless the call were repeated after the person was told to call a different number.

MCL 484.1401 et al. (S.B. 1009)  
484.1102 et al. (S.B. 1010)

Legislative Analyst: S. Lowe

### **FISCAL IMPACT**

#### **Senate Bill 1009 (S-3)**

The bill would make it easier for local governments to borrow funds to make capital improvements for their 9-1-1 service district.

#### **Senate Bill 1010 (S-3)**

The bill would require local 9-1-1 authorities to take on additional duties and responsibilities. These costs would be paid for by revenue generated under a House bill to which this bill is tie-barred. The bill also would provide for a fine for unauthorized use of a 9-1-1 system. According to the Constitution, all penal fines must be used for support of public libraries.

Fiscal Analyst: B. Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.