

Legislative Analysis



EMERGENCY 9-1-1- SERVICE ENABLING ACT

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<http://www.house.mi.gov/hfa>

House Bill 5026 as introduced

Sponsor: Rep. Julie Calley

Committee: Communications and Technology

Complete to 10-5-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5026 would amend the Emergency 9-1-1-Service Enabling Act to change the act's sunset (expiration date) from December 31, 2021, to December 31, 2027, extending its effectiveness by six years. The bill also would prescribe certain 9-1-1 system capabilities, increase the state 9-1-1 charge and the prepaid wireless 9-1-1 surcharge, provide for a future reduction of those charges under certain circumstances, require a review of collection and remittance compliance, and change the timeline and certain notice requirements for tentative and final 9-1-1 service plans, among other changes described below.

9-1-1 system capabilities

The bill would require a 9-1-1 system to be capable of processing all 9-1-1 requests for service originating from devices connected to a communication service located in the emergency 9-1-1 district. A 9-1-1 request for service received from a location that is not within the service district would have to be processed to the extent technically feasible, via transfer or relay method, to the appropriate primary safety answering point (PSAP).¹

9-1-1 service charges

Currently, each service supplier in a 9-1-1 service district bills and collects a state 9-1-1 charge from all service users (except prepaid wireless users) within the service district. The charge is currently 25 cents per month. The bill would increase this to 27 cents per month, beginning 60 days after the bill takes effect.

For prepaid wireless users, a seller must collect a prepaid wireless 9-1-1 surcharge of 5.0% per retail transaction occurring in Michigan. The bill would increase this surcharge to 6.5% per retail transaction.

Cost reimbursements

The act now requires that 25.56% of the money in the Emergency 9-1-1 Fund be available to reimburse local exchange providers for costs related to providing wireless emergency service and reimburse IP-based 9-1-1 service providers for costs related to providing IP-based 9-1-1 emergency service. The applicable entities may submit an invoice on a quarterly basis to the Michigan Public Service Commission (MPSC) for reimbursement for allowed costs.

The bill would provide that the quarterly invoice cannot be submitted earlier than the fifteenth day of the first month of the quarter. In addition, the bill would require MPSC to notify the Department of Treasury within five business days after it approves an invoice. The Department of Treasury would have to pay the approved invoice within 30 days after receiving that notice.

¹ Several of the terms used in this summary have specific definitions given to them for purposes of the act (for instance, in this provision, *communication service*, *emergency 9-1-1 district*, *transfer method*, *relay method*, and *primary safety answering point*). See <https://www.legislature.mi.gov/documents/mcl/pdf/mcl-484-1102.pdf>

Reductions to 9-1-1 service charges

The bill would allow MPSC to initiate a proceeding to reduce the state 9-1-1 charge and the prepaid wireless 9-1-1 surcharge if, after April 1, 2024, the amount to be distributed for cost reimbursement as described above exceeds \$10.0 million for three consecutive quarters. The reduction would be made proportionately to ensure that the average quarterly balance to be distributed is sufficient to reimburse at least six months of ongoing approved costs related to transport, routing, or delivery to PSAPs of IP-based 9-1-1 emergency service.

If all emergency 9-1-1 districts in this state have not been fully converted to or contracted with an IP-based 9-1-1 service provider at the time of the proceeding, MPSC would have to take that into consideration, along with any incurred cost that has not been reimbursed by the IP-based 9-1-1 service provider, when determining the reduction.

MPSC would have to allow an interested person to intervene in a proceeding. MPSC would have to issue a final order within 90 days after the start of the proceeding and notify the legislature and IP-based 9-1-1 service providers within 10 days after issuing the final order.

Reductions to the state 9-1-1 charge and prepaid wireless 9-1-1 surcharge would take effect 60 days after the commission issues its final order.

Collection and remittance compliance

The Department of Treasury, in cooperation and conjunction with the State 9-1-1 Committee, would have to review the Emergency 9-1-1 Fund for compliance in the collection and remittance of prepaid wireless 9-1-1 surcharges under the act. (These surcharges are remitted monthly and deposited into the fund.) The review would have to contain findings on at least all of the following:

- The amount of money owed to the Emergency 9-1-1 Fund for prepaid wireless 9-1-1 surcharges.
- The amount of money remitted to the fund for prepaid wireless 9-1-1 surcharges.
- Any other pertinent information to locate and address noncompliance with the collection and remittance of prepaid wireless 9-1-1 surcharges as determined by the Department of Treasury or the State 9-1-1 Committee.
- Any other pertinent information on the marketplace that could help accurately predict revenue from prepaid wireless 9-1-1 surcharges.

The Department of Treasury and the State 9-1-1 Committee would have to issue a report to the legislature regarding the above findings by June 30, 2023. The report also would have to contain recommendations to the legislature to increase compliance.

In addition, the bill would authorize the Department of Treasury to audit sellers for compliance in the collection and remittance of prepaid wireless 9-1-1 surcharges under the act. A seller found to not be in compliance would have to be notified by the department and would have 60 days to comply. A seller not in compliance after the 60 days would have to remit the balance owed, in addition to applicable penalties. After the 60-day period, a penalty of 5% of the unpaid amount would be assessed each month until the amount owed is paid in full, up to a maximum penalty of 25% of the unpaid amount.

Tentative and final 9-1-1 service plans

The bill would revise some timing and notice requirements for tentative and final 9-1-1 service plans adopted by a county board of commissioners to establish an emergency 9-1-1 district.

Currently, a resolution adopting a tentative 9-1-1 service plan must provide information about a public hearing on the final plan. The bill instead would still refer to the plan as a tentative plan at this point in the process. The plan would not become the final 9-1-1 service plan until it has been adopted by the county board of commissioners after the hearing.

After adopting a resolution adopting a tentative plan, the county clerk must forward a copy of the resolution and a copy of the plan to relevant local officials. Instead of requiring a copy of the plan to be sent, the bill would require a letter to be sent that indicates where an electronic or paper copy of the plan can be obtained. This information would also have to be included in the public notice of the hearing on the plan, which under the bill could be published in a newspaper or other media outlet of general circulation in the county. (The law now specifically requires publication in a newspaper.)

After a final plan has been adopted, the county board of commissioners may amend it by resolution for certain listed reasons, to which the bill would add changes involving the addition or deletion of primary or secondary PSAPs in the 9-1-1 service district. The bill also would allow grammatical changes to be made to a final plan without a resolution of the board.

Other provisions

The bill would remove obsolete provisions pertaining to a report that had to be filed by the MPSC by December 1, 2020.

The bill would remove several provisions that now prescribe procedures for routing emergency calls from a multiline telephone system, including verifying the location of callers using such a system.² The bill instead would require a multiline telephone system to comply with the most up-to-date version of 49 CFR 9.15 to 9.17.³

The bill would make several other changes that appear to be technical in nature.

Sunset

As described above, the act now provides that it is repealed on December 31, 2021. The bill would change this date to December 31, 2027.

MCL 484.1102 et seq.

FISCAL IMPACT:

A fiscal analysis is in progress.

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

² See <https://www.legislature.mi.gov/documents/2019-2020/billanalysis/House/pdf/2019-HLA-4249-D49EB369.pdf>

³ This link is to the most up-to-date version as of this writing. The Federal Communications Commission would be responsible for any future versions. <https://www.ecfr.gov/current/title-47/chapter-I/subchapter-A/part-9/subpart-F>