



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 815 (as reported without amendment)
Sponsor: Senator Bruce Patterson
Committee: Energy Policy and Public Utilities

CONTENT

The bill would amend the Emergency Telephone Service Enabling Act to prohibit the levy or collection of the emergency telephone technical charge and the emergency telephone operational charge after December 31, 2008, rather than December 31, 2007.

("Emergency telephone operational charge" means a charge for the nonnetwork technical equipment and other costs directly related to the dispatch facility and the operation of one or more PSAPs (public safety answering points), including the costs of dispatch personnel and radio equipment necessary to provide two-way communication between PSAPs and a public safety agency.

"Emergency telephone technical charge" means a charge for the network start-up costs, customer notification costs, billing costs (including an allowance for uncollectibles for technical and operational charges), and network nonrecurring and recurring installation, maintenance, service, and equipment charges for a service supplier providing 9-1-1 service under the Act.)

MCL 484.1401

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

Together with Senate Bill 679, the bill would continue until December 31, 2008, a charge-based funding mechanism for 9-1-1 service in the State that otherwise will sunset December 31, 2007. Retaining the funding mechanism would generate charge-based revenue of approximately \$28.4 million annually to be used to fund costs related to 9-1-1 service in the State.

Under the current statute, 29 cents is charged monthly on each cell phone bill in the State. The revenue from this surcharge is distributed by the State in the following way: 25 cents to counties, one cent to the Michigan State Police, one and one-half cents for training, one-half cent for providers for billing costs, and one cent to landline network providers. This surcharge brings in approximately \$20 million annually, and other provisions in the statute allowing technical charges for communication companies add approximately \$8.4 million. The bills also would allow counties to continue to apply local surcharges to fund 9-1-1 systems as under current law.

Date Completed: 10-18-07

Fiscal Analyst: Bruce Baker