

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 815

A bill to amend 1986 PA 32, entitled
"Emergency 9-1-1 service enabling act,"
by amending sections 401 and 408 (MCL 484.1401 and 484.1408),
section 401 as amended by 2007 PA 164 and section 408 as amended by
2007 PA 165.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 401. (1) An emergency 9-1-1 district board, a 9-1-1
2 service district as defined in section 102 and created under
3 section 201b, or a county on behalf of a 9-1-1 service area created
4 by the county may enter into an agreement with a public agency that
5 does either of the following:

6 (a) Grants a specific pledge or assignment of a lien on or a
7 security interest in any money received by a 9-1-1 service district

1 for the benefit of qualified obligations.

2 (b) Provides for payment directly to the public entity issuing
3 qualified obligations of a portion of the county 9-1-1 charge or
4 state 9-1-1 charge sufficient to pay when due principal of and
5 interest on qualified obligations.

6 (2) A pledge, assignment, lien, or security interest for the
7 benefit of qualified obligations is valid and binding from the time
8 the qualified obligations are issued without a physical delivery or
9 further act. A pledge, assignment, lien, or security interest is
10 valid and binding and has priority over any other claim against the
11 emergency 9-1-1 district board, the 9-1-1 service district, or any
12 other person with or without notice of the pledge, assignment,
13 lien, or security interest.

14 (3) Except as provided in sections 407 to 412, each service
15 supplier within a 9-1-1 service district shall provide a billing
16 and collection service for an emergency telephone technical charge
17 and emergency telephone operational charge from all service users
18 of the service supplier within the geographical boundaries of the
19 emergency telephone or 9-1-1 service district. The billing and
20 collection of the emergency telephone operational charge and that
21 portion of the technical charge used for billing cost shall begin
22 as soon as feasible after the final 9-1-1 service plan has been
23 approved. The billing and collection of the emergency telephone
24 technical charge not already collected for billing costs shall
25 begin as soon as feasible after installation and operation of the
26 9-1-1 system. The emergency telephone technical charge and
27 emergency telephone operational charge shall be uniform per each

1 exchange access facility within the 9-1-1 service district. The
2 portion of the emergency telephone technical charge that represents
3 start-up costs, nonrecurring billing, installation, service, and
4 equipment charges of the service supplier, including the costs of
5 updating equipment necessary for conversion to 9-1-1 service, shall
6 be amortized at the prime rate plus 1% over a period not to exceed
7 10 years and shall be billed and collected from all service users
8 only until those amounts are fully recouped by the service
9 supplier. The prime rate to be used for amortization shall be set
10 before the first assessment of nonrecurring charges and remain at
11 that rate for 5 years, at which time a new rate may be set for the
12 remaining amortization period. Recurring costs and charges included
13 in the emergency telephone technical charge and emergency telephone
14 operational charge shall continue to be billed to the service user.

15 (4) Except as provided in sections 407 to 412 and subject to
16 the limitation provided by this section, the amount of the
17 emergency telephone technical charge and emergency telephone
18 operational charge to be billed to the service user shall be
19 computed by dividing the total emergency telephone technical charge
20 and emergency telephone operational charge by the number of
21 exchange access facilities within the 9-1-1 service district.

22 (5) Except as provided in subsection (7) and sections 407 to
23 412, the amount of emergency telephone technical charge payable
24 monthly by a service user for recurring costs and charges shall not
25 exceed 2% of the lesser of \$20.00 or the highest monthly rate
26 charged by the service supplier for primary basic local exchange
27 service under section 304 of the Michigan telecommunications act,

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

25 (6) Except as provided in sections 407 to 412, the emergency
26 telephone technical charge and emergency telephone operational
27 charge shall be collected in accordance with the regular billings

1 of the service supplier. The amount collected for emergency
2 telephone operational charge shall be paid by the service supplier
3 to the county that authorized the collection. The emergency
4 telephone technical charge and emergency telephone operational
5 charge payable by service users pursuant to this act shall be added
6 to and shall be stated separately in the billings to service users.

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

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

1 may be submitted to the voters within any 12-month period. An
2 assessment approved under this subsection shall be for a period not
3 greater than 5 years.

4 (9) The total emergency telephone operational charge as
5 prescribed in subsections (5) and (8) shall not exceed 20% of the
6 lesser of \$20.00 or the highest monthly flat rate charged for
7 primary basic service by a service supplier for a 1-party access
8 line.

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

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

18 (11) Except as provided in sections 407 to 412, an annual
19 accounting shall be made of the emergency telephone operational
20 charge approved under this act in the same manner as the annual
21 accounting required by section 405.

22 (12) Except as otherwise provided in subsection (13), or as
23 provided in sections 407 to 412, the emergency telephone
24 operational charge collected under this section shall be
25 distributed by the county or the counties to the primary PSAPs by 1
26 of the following methods:

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

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

4 (c) If distribution is not provided in the plan or by
5 agreement, then according to the distribution of access lines
6 within the primary PSAPs.

7 (13) Except as provided in sections 407 to 412, if a county
8 had multiple emergency telephone districts before ~~the effective~~
9 ~~date of the amendatory act that added this subsection~~ **MARCH 2,**
10 **1994**, then the emergency telephone operational charge collected
11 under this section shall be distributed in proportion to the amount
12 of access lines within the primary PSAPs.

13 (14) This act does not preclude the distribution of funding to
14 secondary PSAPs if the distribution is determined by the primary
15 PSAPs within the emergency 9-1-1 district to be the most effective
16 method for dispatching of fire or emergency medical services and
17 the distribution is approved within the final 9-1-1 service plan.

18 (15) Notwithstanding any other provision of this act, the
19 emergency telephone technical charge collected under this section
20 and the emergency telephone operational charge shall not be levied
21 or collected after June 30, 2008. If all or a portion of the
22 emergency telephone operational charge has been pledged as security
23 for the payment of qualified obligations, the emergency telephone
24 operational charge shall be levied and collected only to the extent
25 required to pay the qualified obligations or satisfy the pledge.

26 (16) Subsections (3) through (13) do not apply after June 30,
27 2008.

1 Sec. 408. (1) BEGINNING JANUARY 1, 2008, A CMRS SUPPLIER OR
2 RESELLER SHALL, UNTIL JULY 1, 2008, FOR EACH CMRS CONNECTION THAT
3 HAS A BILLING ADDRESS IN THIS STATE, CONTINUE TO COLLECT THE
4 SERVICE CHARGE THAT THE CMRS SUPPLIER OR RESELLER WAS AUTHORIZED TO
5 COLLECT BY THIS SECTION PRIOR TO DECEMBER 21, 2007. Except as
6 otherwise provided under this act, starting July 1, 2008, a service
7 supplier shall include a state 9-1-1 service charge per month as
8 determined under section 401a. The service supplier shall list the
9 state 9-1-1 service charge authorized under this act as a separate
10 line item on each bill. The service charge shall be listed on the
11 bill as the "state 9-1-1 charge".

12 (2) Each service supplier may retain 2% of the state 9-1-1
13 charge collected under this act to cover the supplier's costs for
14 billing and collection.

15 (3) Except as otherwise provided under subsection (2), the
16 money collected as the state 9-1-1 charge under subsection (1)
17 shall be deposited in the emergency 9-1-1 fund created in section
18 407 no later than 30 days after the end of the quarter in which the
19 state 9-1-1 charge was collected.

20 (4) Except as otherwise provided under section 401a(5), all
21 money collected and deposited in the emergency 9-1-1 fund created
22 in section 407 shall be distributed as follows:

23 (a) 82.5% shall be disbursed to each county that has a final
24 9-1-1 plan in place. Forty percent of the 82.5% shall be
25 distributed quarterly on an equal basis to each county, and 60% of
26 the 82.5% shall be distributed quarterly based on a population per
27 capita basis. Money received by a county under this subdivision

1 shall only be used for 9-1-1 services as allowed under this act.
2 Money expended under this subdivision for a purpose considered
3 unnecessary or unreasonable by the committee or the auditor general
4 shall be repaid to the fund.

5 (b) 7.75% shall be available to reimburse local exchange
6 providers for the costs related to wireless emergency service. Any
7 cost reimbursement allowed under this subdivision shall not include
8 a cost that is not related to wireless emergency service. A local
9 exchange provider may submit an invoice to the commission for
10 reimbursement from the emergency 9-1-1 fund for allowed costs.
11 Within 45 days after the date an invoice is submitted to the
12 commission, the commission shall approve, either in whole or in
13 part, or deny the invoice.

14 (c) 6.0% shall be available to PSAPs for training personnel
15 assigned to 9-1-1 centers. A written request for money from the
16 fund shall be made by a public safety agency or county to the
17 committee. The committee shall semiannually authorize distribution
18 of money from the fund to eligible public safety agencies or
19 counties. A public safety agency or county that receives money
20 under this subdivision shall create, maintain, and make available
21 to the committee upon request a detailed record of expenditures
22 relating to the preparation, administration, and carrying out of
23 activities of its 9-1-1 training program. Money expended by an
24 eligible public safety agency or county for a purpose considered
25 unnecessary or unreasonable by the committee or the auditor general
26 shall be repaid to the fund. The commission shall consult with and
27 consider the recommendations of the committee in the promulgation

1 of rules under section 413 establishing training standards for 9-1-
2 1 system personnel. Money shall be disbursed on a biannual basis to
3 an eligible public safety agency or county for training of PSAP
4 personnel through courses certified by the committee only for
5 either of the following purposes:

6 (i) To provide basic 9-1-1 operations training.

7 (ii) To provide in-service training to employees engaged in 9-
8 1-1 service.

9 (d) 1.88% credited to the department of state police to
10 operate a regional dispatch center that receives and dispatches 9-
11 1-1 calls, and 1.87% credited to the department of state police for
12 costs to administer this act and to maintain the office of the
13 state 9-1-1 coordinator.

14 (5) For fiscal year 2007-2008 only, an amount not to exceed
15 \$500,000.00 to the department of state police to study the
16 feasibility of an IP-based 9-1-1 system in this state.

17 (6) Money received by a county under subsection (4)(a) shall
18 be distributed by the county to the primary PSAPs geographically
19 located within the 9-1-1 service district by 1 of the following
20 methods:

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

22 (b) If distribution is not provided for in the 9-1-1 service
23 plan under subdivision (a), then according to any agreement for
24 distribution between a county and a public agency.

25 (c) If distribution is not provided for in the 9-1-1 service
26 plan under subdivision (a) or by agreement between the county and
27 public agency under subdivision (b), then according to the

1 population within the geographic area for which the PSAP serves as
2 primary PSAP.

3 (d) If a county has multiple emergency 9-1-1 districts, money
4 for that county shall be distributed as provided in the emergency
5 9-1-1 districts' final 9-1-1 service plans.

6 (7) The commission shall consult with and consider
7 recommendations of the committee in the promulgation of rules under
8 section 413 establishing the standards for the receipt and
9 expenditures of 9-1-1 funds under this act. Receipt of 9-1-1 funds
10 under this act is dependent on compliance with the standards
11 established under this subsection.

12 Enacting section 1. This amendatory act is retroactive and is
13 effective January 1, 2008.