

SENATE BILL No. 815

September 25, 2007, Introduced by Senator PATTERSON and referred to the Committee on Energy Policy and Public Utilities.

A bill to amend 1986 PA 32, entitled "Emergency telephone service enabling act," by amending section 401 (MCL 484.1401), as amended by 2006 PA 249.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 401. (1) An emergency telephone 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
8 for the benefit of qualified obligations.

9 (b) Provides for payment directly to the public entity issuing
10 qualified obligations of a portion of the emergency telephone

1 operational charge sufficient to pay when due principal of and
2 interest on qualified obligations.

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

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

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

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

19 (5) Except as provided in subsection (7) and sections 407 to
20 412, the amount of emergency telephone technical charge payable
21 monthly by a service user for recurring costs and charges shall not
22 exceed 2% of the lesser of \$20.00 or the highest monthly rate
23 charged by the service supplier for primary basic local exchange
24 service under section 304 of the Michigan telecommunications act,
25 1991 PA 179, MCL 484.2304, within the 9-1-1 service district. The
26 amount of emergency telephone technical charge payable monthly by a
27 service user for nonrecurring costs and charges shall not exceed 5%

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

22 (6) Except as provided in sections 407 to 412, the emergency
23 telephone technical charge and emergency telephone operational
24 charge shall be collected in accordance with the regular billings
25 of the service supplier. The amount collected for emergency
26 telephone operational charge shall be paid by the service supplier
27 to the county that authorized the collection. The emergency

1 telephone technical charge and emergency telephone operational
2 charge payable by service users pursuant to this act shall be added
3 to and shall be stated separately in the billings to service users.

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

12 (8) Except as provided in sections 407 to 412, a county may,
13 with the approval of the voters in the county, assess up to 16% of
14 the lesser of \$20.00 or the highest monthly rate charged by the
15 service supplier for primary basic local exchange service under
16 section 304 of the Michigan telecommunications act, 1991 PA 179,
17 MCL 484.2304, within the geographical boundaries of the assessing
18 county or assess a millage or combination of the 2 to cover
19 emergency telephone operational costs. In a ballot question under
20 this subsection, the board of commissioners shall specifically
21 identify how the collected money is to be distributed. An
22 affirmative vote on a ballot question under this subsection shall
23 be considered an amendment to the 9-1-1 service plan pursuant to
24 section 312. Not more than 1 ballot question under this subsection
25 may be submitted to the voters within any 12-month period. An
26 assessment approved under this subsection shall be for a period not
27 greater than 5 years.

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

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

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

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

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

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

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

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

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

10 (14) Except as provided in sections 407 to 412, this section
11 shall not preclude the distribution of funding to secondary PSAPs
12 if the distribution is determined by the primary PSAPs within the
13 emergency telephone district to be the most effective method for
14 dispatching of fire or emergency medical services and the
15 distribution is approved within the final 9-1-1 service plan.

16 (15) Notwithstanding any other provision of this act, the
17 emergency telephone technical charge and the emergency telephone
18 operational charge shall not be levied or collected after December
19 31, ~~2007~~–2008. If all or a portion of the emergency telephone
20 operational charge has been pledged as security for the payment of
21 qualified obligations, the emergency telephone operational charge
22 shall be levied and collected only to the extent required to pay
23 the qualified obligations or satisfy the pledge.