

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 10:05 a.m. on March 29, 2001 at the rail of the Capitol.

All members were present except:

Committee staff present: Bob Nugent, Revisor of Statutes
Lea Gerard, Secretary

Conferees appearing before the committee:

Others attending: Guest List unavailable.

The committee discussed the amendments regarding the surcharge for Senate Substitute **HB 2034** (Attachment 1). The surcharge imposed over a period of time would ensure that the PSAP's and wireless carriers of costs associated with developing and maintaining an E911 system. A centralized administrator will remit to a city or county that operates a PSAP and has certified to the administration that they have agreements to provide E911, 20% of the surcharge proceeds from wireless subscribers on a monthly basis. An amount equal to 20% of the surcharge will be retained by each wireless carrier for the purpose of recovering costs incurred to implement E911 service

Senator Jenkins moved, seconded by Senator Emler that the proposed balloon amendments for **HB 2034**, Page 3, 4 and 5 be adopted as amended. Motion carried.

Senator Jenkins moved, seconded by Senator Emler that **HB 2034** be recommended favorably for passage as amended. Motion carried. Senator Barone requested to be recorded as a "No" vote.

Meeting was adjourned at 10:15 a.m.

1 nection to the public switched telephone network and access to a 24-hour
2 answering point;

3 ~~(s)~~ "Wireless service" means a two-way voice or text radio service
4 provided by a wireless carrier, and

5 ~~(t)~~ "PSAP" means public safety answering point.

6 ~~(u)~~ "Emergency telephone system" means 9-1-1 telephone service and
7 the system for processing reports made by use of such service and for
8 dispatching responders in response to such reports.

9 New Sec. 2. On and after July 1, 2001, each wireless carrier who has
10 a subscriber with a billing address in the state of Kansas shall collect from
11 each subscriber a surcharge of not more than \$.50 per month per sub-
12 scriber account in the state as determined by the administrator. ~~The wire-~~
13 ~~less carrier shall add the surcharge to each subscriber's telephone bill.~~
14 The wireless carrier shall have no obligation to take any legal action to
15 enforce the collection of any surcharge imposed under authority of this
16 act. The wireless carrier shall provide annually the administrator with a
17 list of amounts uncollected along with the names and addresses of those
18 subscribers which carry a balance that can be determined by the wireless
19 carrier to be nonpayment of any surcharge imposed under authority of
20 this act. Any surcharge imposed under authority of this act shall be col-
21 lected insofar as practicable at the same time as, and along with, other
22 charges owed by the subscriber in accordance with the regular billing
23 practice of the wireless carrier. Failure of a wireless carrier to employ
24 such practices to collect the surcharge shall render such wireless carrier
25 ineligible to retain ~~any portion of the 2% administrative collection fee~~
26 ~~established pursuant to section 3, and amendments thereto.~~ The sur-
27 charge shall appear as a separate line item charge on the subscriber's
28 billing statement and shall be labeled as "Enhanced Wireless 911
29 Surcharge."

30 *[No tax shall be imposed pursuant to this section on a wireless*
31 *connection used for remote control purpose and capable of access-*
32 *ing only one number.]*

33 New Sec. 3. Each wireless carrier shall remit to the administrator
34 the amount of surcharge collected monthly together with any forms re-
35 quired by the administrator. ~~The carrier may retain an amount equal to~~
36 ~~2% of such amount as an administrative collection fee.~~ The carrier shall
37 maintain surcharge and remittance records for a period of two years after
38 the date of the billing of the surcharge to the subscriber. The adminis-
39 trator shall remit the funds to the state treasurer for credit to the en-
40 hanced wireless 911 fund. The administrator may require an audit of any
41 wireless carrier's books and records concerning the collection and remit-
42 tance of the surcharge pursuant to this act. Any such audit shall be con-
43 ducted at the administrator's expense.

The surcharge imposed hereunder shall ensure, over a reasonable period of time, the full recovery by PSAPs and wireless carriers of costs associated with developing and maintaining an E911 system on a technologically and competitively neutral basis.

2% of the surcharge

Phases 1 and 2 of enhanced 911 service as described by the federal communications commission shall be deployed prior to July 1, 2004.

No additional money beyond the surcharge assessed pursuant to section 3 shall be collected from a subscriber's bill.

(a) Except as provided in subsection (c), each

(b) Subject to modification by the administrator pursuant to section 8 and only upon certification to the administrator that the city or county has entered into an agreement with wireless carriers for the purpose of implementing E911 service as described in section 7, the administrator shall remit to a city or county which operates a PSAP an amount equal to 20% of the surcharge derived from wireless subscribers residing within such city or county. Such funds may only be expended subject to the restrictions provided in subsections (b)(1) and (b)(2) of section 8. Such remittances shall be distributed on a monthly basis.

(c) An amount equal to 20% of the surcharge may be retained by each wireless carrier for the purpose of recovering the costs described in subsection (b)(3) of section 8 and the cost of collecting and dispersing the surcharge.

1 New Sec. 4. The enhanced wireless 911 advisory board is established
2 to advise the administrator concerning the implementation, development,
3 administration, coordination, evaluation and maintenance of enhanced
4 wireless 911 service. The advisory board shall be composed of eleven
5 individuals appointed by the governor, including;

- 6 (a) One representative of local law enforcement;
- 7 (b) one representative of the Kansas highway patrol;
- 8 (c) one county official or county employee;
- 9 (d) one municipal official or municipal employee;
- 10 (e) two representatives from the state's wireless telecommunications
11 industry;
- 12 (f) two managers of public safety answering points;
- 13 (g) one representative of the state's local exchange telecommunica-
14 tions service industry; and
- 15 (h) two legislators from different political parties, appointed by the
16 legislative coordinating council.

17 ~~Three members shall be appointed for a term of one year, four mem-~~
18 ~~bers shall be appointed for a term of two years and four members shall~~
19 ~~be appointed for a term of three years. Each succeeding member of the~~
20 ~~board shall be appointed for a term of three years.~~ The board shall meet
21 as often as necessary to carry out its duties. Members of the board shall
22 be reimbursed for their actual and necessary expenses. The provisions of
23 this section and section 5, and amendments thereto, shall expire on July
24 1, 2005. The board shall prepare a report concerning the extent to which
25 the purposes of this act have been achieved including the extent to which
26 enhanced wireless 911 service has been deployed throughout the state
27 and the costs incurred during such deployment. The board shall deliver
28 the report to the house committee on utilities and the senate committee
29 on commerce during the 2003 and 2005 sessions of the legislature.

30 New Sec. 5. The advisory board shall make recommendations to the
31 administrator regarding the implementation of this act, including:

- 32 (a) The allocation of funds from the enhanced wireless 911 fund
33 among the purposes specified in section 8, and amendments thereto,
34 subject to the conditions specified in that section;
- 35 (b) rules and regulations promulgated to carry out the provisions of
36 this act;
- 37 (c) any adjustments in the amount of the surcharge to recommend
38 to the administrator; and
- 39 (d) the resolution of any disputes between public safety answering
40 points and wireless carriers.

41 The administrator retains final authority to approve and implement any
42 and all recommendations made by the advisory board.

43 New Sec. 6. The enhanced wireless 911 fund is hereby created. The

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1 fund shall consist of the surcharges credited to the fund, any money ap-
2 propriated by the legislature to the fund, any federal funds received for
3 wireless emergency communication and any other funds designated for
4 credit to the fund. Money in the fund shall be used for the costs of
5 administering the fund and for the purposes specified in section 8, and
6 amendments thereto, unless otherwise directed by federal law, with re-
7 spect to federal funds received. The costs of administering the fund shall
8 be kept to a minimum. The money in the fund shall not be subject to any
9 fiscal-year limitation or lapse provision of an unexpended balance at the
10 end of any fiscal year or biennium.

11 New Sec. 7. A public safety answering point in a county where a
12 wireless carrier has a presence on a tower shall enter into service agree-
13 ments with all such wireless carriers. The administrator, in consultation
14 with the advisory board, shall determine and encourage use of the most
15 efficient methods for providing enhanced wireless 911 service.

16 New Sec. 8. (a) The administrator, in consultation with the advisory
17 board, shall:

18 (1) Determine the costs to implement wireless automatic location
19 identification;

20 (2) promote collaboration between public safety answering points
21 and encourage economies of scale;

22 (3) determine the level of funding available for disbursements to be
23 made pursuant to the act;

24 (4) determine the percentage of the funds that shall be allocated to
25 each funding purpose, including the percentage that shall be designated
26 for funding 911 service under subsection (b) of this section;

27 (5) determine how the funds distributed under paragraphs (2) and
28 (3) of subsection (b) of this section, are to be allocated among the wireless
29 carriers and public safety answering points; ~~and~~

30 ~~7 (6)~~ adopt rules and regulations as may be necessary to implement the
31 provisions of this act.

32 (b) The administrator, in consultation with the advisory board, shall
33 establish standards and criteria to determine the eligibility of applications
34 for disbursements from the fund and the level of disbursement for each
35 application. In establishing such criteria and standards, the administrator
36 shall include applications submitted for the following purposes as eligible
37 for funding:

38 (1) Necessary and reasonable costs incurred or to be incurred by pub-
39 lic safety answering points to implement enhanced wireless 911 service
40 including, but not limited to, purchases of equipment and upgrades and
41 modification to equipment used solely to process the data elements of
42 enhanced wireless 911 service, maintenance costs and license fees for
43 such equipment and the training of personnel to operate such equipment

(6) adjust the percentages of the surcharge allowed to wireless carriers, cities or counties pursuant to subsections (b) and (c) of section 3 to prevent over or under recovery of costs incurred to implement E911 service. Such adjustment may be made only once every two years; and