

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 A.M. on February 15, 2008 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jennifer Thierer, Kansas Legislative Research Department  
Dennis Hodgins, Kansas Legislative Research Department  
Jason Long, Revisor of Statutes  
Jackie Lunn, Committee Assistant

Conferees appearing before the committee:

Others attending:

See attached list.

To read testimony submitted by conferees go to

<http://skyways.lib.ks.us/government/KansasSenateCommerceCommittee>.

**SB 526--Distribution of moneys from E-911 fees**

**SB 453--Establishing the Kansas commission on rural policy**

Chairperson Brownlee called the Committee attention to **SB 526** and introduced Jennifer Thierer, Legislative Research, to present information she had regarding the question which was raised in the hearing as to whether cell phone companies are required to accept 911 calls from other carrier's phone. Ms. Thierer stated since 1997, the Federal Communications Commission has required wireless carriers to transmit all 911 calls regardless of whether the originating phone has a service contract with that carrier. This requirement includes phones from other carriers as well as phones with no subscription at all.

A discussion followed regarding the dead spots around the state where cell phones will not work.

Chairperson Brownlee called on Judy Moler representing the Kansas League of Municipalities and the Kansas Association of Counties to present information requested at the hearing of **SB 526**. (Attachment 1) Ms. Moler stated that the information lists the population and average monthly 911 fees of counties that do not have Phase I or Phase II. A discussion followed regarding the information on the counties without Phase I and Phase II.

Chairperson Brownlee recognized Senator Elmer. Senator Elmer stated Jason Long, Revisors Office, has some amendments he has recommended on the bill. Senator Elmer reviewed the written copy of the amendments. (Attachment 2) for the Committee. He stated the amendment deals with page 2 of the bill; the changes are in the language making sure that the PAP's that have not achieved Phase II level get the monies first and when they all have achieved Phase II, such money shall be distributed for such purposes to any PAP.

**Senator Elmer made a motion to approve the amendments for SB 526 changing the language on page 2, line 32 changing the word may to shall and then online on line 33, striking "and may be distributed to PAP's for such purposes" and adding on line 34 : "until all PAP's have achieved phase II status, such moneys shall only be distributed for such purposes to PAP's that have not achieved phase II status, then such moneys shall be distributed for such purposes to any PAP. Senator Reitz seconded. Motion carried.**

Chairperson Brownlee called on Jim Gartner representing AT&T asking if he wanted to comment regarding the information he had given to Chairperson Brownlee regarding Phase I and Phase II. He stated he was there if anyone had any questions. Chairperson Brownlee stated she would have the staff make copies and get those copies to the Committee members.

A discussion followed on what could be done to get coverage in the dead spots across the state. Mr. Gartner

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on February 15, 2008 in Room 123-S of the Capitol.

entered the discussion stating that the FCC was overseeing wireless service all the time. It was determined that if people would complain to the carrier where there is a problem they might work on getting that problem resolved. Chairperson Brownlee stated the Committee could write a letter to each of the companies that service Kansas and ask them to report to the Committee where they are at in the agreements for better coverage. Mr. Gartner stated that proprietary confidential agreements might be a problem. Senator Elmer stated the Committee Chair could file a complaint with the FCC.

**Senator Emler made a motion to move the bill out as amended. Senator Teichman seconded. Motion carried.**

Chairperson Brownlee moved the discussion to **SB 453**. A discussion followed regarding the Kansas, Inc. recommendation and what it would take to move that forward. Mr. Ahlerich, Kansas Inc., entered the discussion and stated they had been working with the Department of Commerce, the Governor, and the Department of Agriculture and it can be done administratively without a bill but since it does not include a commission, they are trying to find middle ground. The Committee agrees that something is needed to promote rural development all across the state. Chairperson Brownlee stated she was sensing the Committee would like the blending of the concept from Kansas, Inc. and the Kansas Farm Bureau. Maybe they could ask for a balloon that would have the Deputy Secretary for Rural Development and the Commission would have more authority with a 5 year sunset and that the Office of Rural Opportunity report to the Deputy Secretary. The members of the board and how they would be appointed was discussed and the Committee feels that the appointments to the board should be more structured and include members of Farm Bureau that are farmers in the rural communities.

Chairperson Brownlee announced that on Monday, February 25, 2008 there would be a roundtable discussion on workforce development with special guests and it should be a very good discussion.

Chairperson Brownlee adjourned the meeting at 9:30 a.m. with the next meeting scheduled for February 19, 2008, at 8:30 a.m. in room 123 S.



PSAP	Population	Avg. Monthly 911 Fee	Assessed Valuation (2007)	Median Income (2004)	KS Median Income (2004)
Cheyenne	2,911	\$370	\$39,528,324	\$25,797	\$41,664
Rawlins	2,643	\$350	\$30,309,075	\$29,853	
Decatur	3,120	\$430	\$33,529,587	\$28,994	
Trego	2,993	\$350	\$44,879,256	\$30,983	
Lane	1,797	\$300	\$40,558,229	\$33,909	
Stanton	2,232	\$245	\$108,213,436	\$39,609	
Morton	3,138	\$335	\$188,488,714	\$38,969	
Hodgeman	2,071	\$115	\$32,627,104	\$34,931	
Kiowa	2,969	\$440	\$80,900,118	\$35,829	
Clark	2,206	\$125	\$50,883,135	\$33,930	
Morris	2,643	\$920	\$61,926,591	\$36,171	
Chase	3,070	\$430	\$40,847,136	\$34,432	
Average Population	2,649				
Average \$ Received		\$367			

Presented by:  
 Judy Moler  
 KS Association of Counties  
 Topeka, KS

## SENATE BILL No. 526

By Committee on Commerce

1-31

9 AN ACT concerning enhanced wireless 911 service; relating to distri-  
10 bution of moneys from service fees; amending K.S.A. 2007 Supp. 12-  
11 5331 and repealing the existing section.  
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2007 Supp. 12-5331 is hereby amended to read as  
15 follows: 12-5331. (a) Every billed wireless service user shall be liable for  
16 the wireless enhanced 911 grant fee and the wireless enhanced 911 local  
17 fee until such fees have been paid to the wireless carrier.

18 (b) The duty to collect any such fees imposed pursuant to this act  
19 shall commence July 1, 2004. Such fees shall be added to and may be  
20 stated separately in billings for the subscriber account. If stated separately  
21 in billings, the fees shall be labeled "KS E-911 fees."

22 (c) The wireless carrier shall have no obligation to take any legal ac-  
23 tion to enforce the collection of the fees imposed by this act. The wireless  
24 carrier shall provide annually to the secretary a list of amounts of uncol-  
25 lected wireless enhanced 911 grant fees along with the names and ad-  
26 dresses of those wireless service users which carry a balance that can be  
27 determined by the wireless carrier to be nonpayment of such fees. The  
28 wireless carrier shall provide annually to the local collection point admin-  
29 istrator a list of amounts of uncollected wireless enhanced 911 local fees  
30 along with the names and addresses of those wireless service users which  
31 carry a balance that can be determined by the wireless carrier to be non-  
32 payment of such fees.

33 (d) The fees imposed by this act shall be collected insofar as practi-  
34 cable at the same time as, and along with, the charges for wireless service  
35 in accordance with regular billing practice of the wireless carrier.

36 (e) The wireless enhanced 911 grant fee and the amounts required  
37 to be collected therefor are due monthly. The amount of any such fees  
38 collected in one month by the wireless carrier shall be remitted to the  
39 secretary not more than 15 days after the close of the calendar month.  
40 On or before the 15th day of each calendar month following, a return for  
41 the preceding month shall be filed with the secretary in such form as the  
42 secretary and the wireless carrier shall agree. The wireless carrier re-  
43 quired to file the return shall deliver the return together with a remittance

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Attachment 2-1

2-2

1 of the amount of the fees payable to the secretary. The wireless carrier  
2 shall maintain records of the amount of any such fees collected pursuant  
3 to action in accord with this act. Such records shall be maintained for a  
4 period of three years from the time the fees are collected.

5 (f) The wireless enhanced 911 local fee and the amounts required to  
6 be collected therefor are due monthly. The amount of any such fees  
7 collected in one month by the wireless carrier shall be remitted to the  
8 local collection point administrator not more than 15 days after the close  
9 of the calendar month. On or before the 15th day of each calendar month  
10 following, a return for the preceding month shall be filed with the local  
11 collection point administrator. Such return shall be in such form and shall  
12 contain such information as required by the administrator. The wireless  
13 carrier required to file the return shall deliver the return together with a  
14 remittance of the amount of the fees payable to the local collection point  
15 administrator. The wireless carrier shall maintain records of the amount  
16 of any such fees collected pursuant to action in accord with this act. Such  
17 records shall be maintained for a period of three years from the time the  
18 fees are collected.

19 (g) In the case of prepaid wireless telephone service, the monthly  
20 wireless enhanced 911 grant fee shall be remitted to the secretary by the  
21 wholesaler of the prepaid wireless service not more than 15 days after  
22 the close of the calendar month in which the prepaid wireless service is  
23 sold by such wholesaler.

24 (h) Except as provided by subsection (d) of K.S.A. 2007 Supp. 12-  
25 5330, and amendments thereto, not later than 30 days after receipt of  
26 moneys from wireless carriers pursuant to this section, the local collection  
27 point administrator shall distribute such moneys collected from the wire-  
28 less enhanced 911 local fee to PSAP's based upon primary place of use  
29 information provided by wireless carriers. The local collection point ad-  
30 ministrator may retain an administrative fee of not more than 2% of mon-  
31 eys collected from such fee. *Moneys which cannot be attributed to a*  
32 *specific PSAP may be utilized for the purposes set out in subsection (b)*  
33 *of K.S.A. 2007 Supp. 12-5330, and amendments thereto, and may be dis-*  
34 *tributed to PSAP's for such purposes.*

shall

Until all PSAP's have achieved phase II status, such moneys shall only be distributed for such purposes to PSAP's that have not achieved phase II status. When all PSAP's have achieved phase II status, then such moneys shall be distributed for such purposes to any PSAP.

35 (i) The local collection point administrator shall keep accurate ac-  
36 counts of all receipts and disbursements of moneys from the wireless  
37 enhanced 911 local fee. The receipts and disbursements shall be audited  
38 yearly by a licensed municipal accountant or certified public accountant  
39 and the audit report shall be submitted to the secretary.

40 Sec. 2. K.S.A. 2007 Supp. 12-5331 is hereby repealed.

41 Sec. 3. This act shall take effect and be in force from and after its  
42 publication in the statute book.