

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 182

SPONSOR: Senate Committee on Comprehensive Planning, Local and Military Affairs

SUBJECT: Wireless E911 Trust Fund

DATE: January 5, 1999 REVISED: 1/15/99 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CA</u>	<u>Fav/ 1 amendment</u>
2.	<u>Hayes</u>	<u>Hadi</u>	<u>FP</u>	<u>Favorable</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The bill creates the Wireless Emergency Telephone System Trust Fund within the Department of Management Services for the deposit of fees levied on subscribers of wireless telephone service. Moneys are distributed from the fund to counties and wireless providers for the costs of providing 911 and E911 services. The effective date is contingent upon the passage of SB 178 and the approval of at least three-fifths of the membership of each house of the Legislature.

This bill creates the following section of the Florida Statutes: s. 365.173.

II. Present Situation:

In October 1998, the Senate Committee on Comprehensive Planning, Local and Military Affairs completed a review of the Federal Communications Commission's (FCC) required improvements to the states 911 emergency telephone systems. Committee staff made the following findings:

- The increase in wireless communication is significantly impacting 911 services;
- Wireline calls in many rural counties and wireless calls throughout the state do not have access to Emergency 911 (E911) services, which allows for automatic number and location identification services;
- The FCC may require 911 service providers and wireless communication companies to make policy changes and resulting technology upgrades to provide E911 services for all wireless phone calls made to 911 systems;
- There are potentially significant capital and operating costs to implement the FCC's requirements;
- Current revenues for financing 911 services are inadequate to fund the implementation of these new requirements;
- The wireless industry, representatives for the county 911 coordinators and county commissions, and state officials with oversight responsibilities for 911 systems have agreed upon a statutory solution; and

- 28 other states have imposed a 911 fee on wireless subscribers to fund the FCC required upgrades.

In response, committee staff recommended that the Legislature enact the Florida Wireless Emergency Communications Act, which:

- Establishes a 50 cent monthly fee on each wireless service subscriber in this state; fee proceeds will be used to fund the capital and operating costs incurred by wireless providers and county 911 systems in developing and maintaining an E911 system;
- Requires the Department of Management Services (DMS) to oversee the administration of the fee;
- Creates the Florida Wireless 911 Advisory Board to assist DMS in administering the fee and oversee the proposed Wireless Emergency Telephone System Trust Fund; and
- Requires the board to submit a report to the Governor and Legislature that outlines trust fund expenditures and recommends, if necessary, adjustments to the levy or distribution of the fee.

III. Effect of Proposed Changes:

This bill creates s. 365.173, F.S., to establish the Wireless Emergency Telephone System Trust Fund, an insured, interest-bearing account in the Department of Management Services. Fund proceeds are not subject to the service charges imposed in s. 215.20, F.S. Proceeds from the E911 fee, levied on wireless communication subscribers pursuant to proposed s. 365.172, F.S., must be deposited in this trust fund.

Wireless providers would be allowed to retain an administrative fee of 1% of the fees they collect, with the remaining collections distributed by the board as follows:

- 44% to counties, distributed monthly, for the costs of upgrading or operating 911 services;
- 54% to wireless providers, as reimbursement for actual costs incurred to provide 911 or E911 service, upon approval of the Advisory Board; and
- 2% to rural counties for 911 facilities and service enhancements.

Up to 2% of the funds set aside for reimbursement to wireless providers may be used as operating funds for the Wireless 911 Board created pursuant to proposed s. 365.172, F.S. The Board is directed to distribute fund revenues in a fair and nondiscriminatory manner. This section also provides for the pro rata distribution of fund revenues if the requests for reimbursement exceed the availability of funds, and authorizes the board to adopt rules to address the manner in which these pro rata distributions are made.

The Auditor General is directed to annually audit the fund to ensure that the fund is managed in accordance with this section and proposed s. 365.172, F.S.

Section 2 provides an effective date contingent upon the passage of another bill and the approval of at least three-fifths of the membership of each house of the Legislature.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

Trust funds may be created by general law only by a three-fifths vote of the membership of each house of the Legislature and only in a separate bill for that specific purpose. [s. 19(f)(1), Art. III, Fla. Const.] Further, all trust funds must expire no later than 4 years after the date they are created. [s. 19(f)(1), Art. III, Fla. Const.]

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Auditor General is directed to annually audit the fund to ensure that the fund is managed in accordance with this section and proposed s. 365.172, F.S.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Comprehensive Planning, Local and Military Affairs:
Technical Amendment.

