

STORAGE NAME: h0513z.uco

DATE: June 25, 1999

****FINAL ACTION****

SEE FINAL ACTION STATUS SECTION

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
Committee on Utilities and Communications
FINAL TRUST FUND RE-CREATION ANALYSIS**

BILL #: HB 513 (Passed as SB 182)

RELATING TO: Trust Funds (Wireless Emergency Telephone System)

SPONSOR(S): Representative Logan

COMPANION BILL(S): HB 499 (compare), HB 513(compare), HB 591(compare), HB 621 (compare), HB 17(compare), SB 178 (compare).

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) UTILITIES AND COMMUNICATIONS YEAS 10 NAYS 0
- (2) COMMUNITY AFFAIRS YEAS 10 NAYS 0
- (3) GOVERNMENTAL OPERATIONS YEAS 5 NAYS 1
- (4) GENERAL GOVERNMENT APPROPRIATIONS YEAS 10 NAYS 0
- (5)

I. FINAL ACTION STATUS:

SB 182 was approved by Governor on May 26, 1999 (Chapter 99-203, Laws of Florida).

II. SUMMARY:

The bill establishes a trust fund needed to implement HB 621, which establishes requirements for wireless enhanced 911 (E911) emergency systems consistent with Federal Communications Commission (FCC) requirements.

The bill provides for administration of the fund and distribution of funds to counties and wireless providers for costs incurred to provide 911 or E911 services in compliance with FCC requirements.

The bill requires the Auditor General to audit the fund and provide reports to the board created by HB 621.

The bill will take effect on July 1, 1999. (The effective date of SB 182 was amended to be July 1, 1999, by section 25 of CS/CS/HB 17 (Chapter 99-378, Laws of Florida), which was enacted subsequent to the enactment of SB 182.)

The bill does not appear to have a fiscal impact on state or local governments.

III. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

In October 1998, the Senate Committee on Community Affairs (now 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. The *Florida Senate Interim Project Report 98-12* provides the following information:

- The increase in the number of wireless communication is significantly impacting 911 services;
- Wireline calls in many rural counties and wireless calls throughout the state do not have access to Enhanced 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
- At least 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;
- Creates the Florida Wireless 911 Advisory Board to administer 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.

Currently, there is no trust fund to handle the wireless emergency 911 fees, as authorized by House Bill 621, to fund wireless emergency 911 telephone service consistent with FCC requirements.

HB 621 creates the Wireless 911 Board, with the duties and membership as follows:

- Requires the board to report to the Governor and the Legislature each year;
- Requires completion of a study for submission to the Governor and Legislature;
- Requires the board to retain an independent accounting firm for certain purposes and provides a process for firm selection;
- Imposes a monthly fee for certain 911 telephone service, a rate for the monthly service, and a process for adjusting the rate;
- Provides for exempting the fee from state and local taxes;
- Prohibits local governments from imposing additional fees related to the service;
- Provides procedures for collecting the fee and remitting the fee to the board;
- Provides criteria for the provision of certain services;

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- Prohibits certain activities relating to wireless 911 telephone service;
- Provides penalties; and
- Provides that the act does not preempt other laws that regulate providers of telecommunications services.

1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

Section 365.173, Florida Statutes, is created to control the trust fund.

2. BRIEF DESCRIPTION OF THE FUND'S USES OR PURPOSES:

The fund will be used according to specified criteria to fund wireless 911 and E911 services.

3. MAJOR SOURCES OF REVENUE FOR THE FUND:

The source of revenue is a \$.50 monthly fee, authorized by HB 621, to be paid by wireless subscribers to fund 911 and E911 wireless service.

B. EFFECT OF PROPOSED CHANGES:

Creates s. 365.173, F.S., which creates the Wireless Emergency Telephone System Fund, a trust fund within the Department of Management Services, to implement HB 621. All revenues derived from the E911 fee levied on subscribers must be deposited into the trust fund. The trust fund is not subject to the provisions of s. 215.20, F.S., relating to a service charge on deposits in a trust fund.

The proceeds of the fund will be distributed as follows:

- 44 percent to counties based on the total number of wireless subscriber billing addresses in each county for payment of recurring costs of providing 911 and E911 service and costs to comply with E911 requirements and subsequent rules related to the FCC order on E911 issued in Docket No. 94-102 (Order). Counties can carry forward up to 30% of the total funds disbursed to them for up to three successive years for certain capital expenditures.
- 54 percent in response to sworn invoices submitted by providers to reimburse such providers for the actual costs incurred to provide 911 or E911 service according to specified criteria and processes. Up to 2 percent of the funds allocated to providers shall be retained by the board (created by HB 621) and applied to costs of administration of the fund. If the total amount of moneys requested by providers for payment exceeds the amount in the fund in any month, providers will receive a pro rata share of moneys in the fund with the balance due to be carried forward until all approved payments are made. The board is authorized to adopt rules regarding pro rata distributions.
- 2 percent of the fund to make monthly distributions to rural counties for the purpose of providing facilities, network, and service enhancements; for providing assistance for 911 and E911 systems operated by rural counties; and for providing reimbursable loans and grants by the Department of Management Services for upgrading 911 systems.

The bill establishes legislative recognition that the wireless 911 fee will not necessarily provide the total funding required for establishing and providing 911 service. The bill provides that it is the intent of the Legislature that all revenue from the wireless 911 fee be used as specified in existing s. 365.171(13)(a)6, F.S., which governs use of 911 fees by counties.

The Auditor General shall audit the fund and report to the board created by HB 621.

The bill will take effect on July 1, 1999. See Comments and Amendments sections.

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C. STATUTE(S) AFFECTED:

Creates section 365.173, Florida Statutes.

IV. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

Wireless telephone subscribers will pay a fee of \$.50 per month for the purpose of funding the provisions of HB 621 with respect to wireless 911 and E911 services, through the trust fund created by this bill.

V. COMMENTS:

This bill is needed to implement HB 621 (Chapter 99-367, Laws of Florida) which was approved by the Governor on June 17, 1999.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The effective date of SB 182 was amended to be July 1, 1999, by section 25 of CS/CS/HB 17 (Chapter No. 99-378), which was enacted subsequent to the enactment of SB 182.

VII. SIGNATURES:

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