

HOUSE BILL 1145

E4

11r0073

By: **Chair, Health and Government Operations Committee (By Request – Departmental – Public Safety and Correctional Services)**

Introduced and read first time: February 14, 2011

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Public Safety – 9–1–1 Emergency Telephone Systems – Prepaid Service –**
3 **Collection of Surcharge**

4 FOR the purpose of establishing that the surcharge on wireless telecommunication
5 services applies to prepaid service; establishing the amount of the prepaid
6 wireless E 9–1–1 fee; allowing for the collection of the fee for the purpose of
7 contributing to the 9–1–1 Trust Fund; providing that the fee shall be collected
8 for certain transactions; establishing certain procedures for the collection of the
9 fee; authorizing the Comptroller to adopt certain regulations; establishing
10 certain immunity provisions; defining certain terms; and generally relating to
11 9–1–1 emergency telephone systems and the collection of fees to support the
12 systems.

13 BY repealing and reenacting, with amendments,
14 Article – Public Safety
15 Section 1–301 through 1–303, 1–308, 1–310, and 1–311
16 Annotated Code of Maryland
17 (2003 Volume and 2010 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article – Public Safety
20 Section 1–309
21 Annotated Code of Maryland
22 (2003 Volume and 2010 Supplement)

23 BY adding to
24 Article – Public Safety
25 Section 1–313
26 Annotated Code of Maryland
27 (2003 Volume and 2010 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Public Safety**

4 1–301.

5 (a) In this subtitle the following words have the meanings indicated.

6 (b) “Additional charge” means the charge imposed by a county in accordance
7 with § 1–311 of this subtitle.

8 (c) “Board” means the Emergency Number Systems Board.

9 (d) “Commercial mobile radio service” or “CMRS” means mobile
10 telecommunications service that is:

11 (1) provided for profit with the intent of receiving compensation or
12 monetary gain;

13 (2) an interconnected, two-way voice service; and

14 (3) available to the public.

15 (e) “Commercial mobile radio service provider” or “CMRS provider” means a
16 person authorized by the Federal Communications Commission to provide CMRS in
17 the State.

18 (f) “County plan” means a plan for a 9–1–1 system or enhanced 9–1–1
19 system, or an amendment to the plan, developed by a county or several counties
20 together under this subtitle.

21 (g) (1) “Customer” means:

22 (i) the person that contracts with a home service provider for
23 CMRS; or

24 (ii) the end user of the CMRS if the end user of the CMRS is not
25 the contracting party.

26 (2) “Customer” does not include:

27 (i) a reseller of CMRS; or

28 (ii) a serving carrier under an arrangement to serve the
29 customer outside the home service provider’s licensed service area.

1 (h) “Enhanced 9–1–1 system” means a 9–1–1 system that provides:

2 (1) automatic number identification;

3 (2) automatic location identification; and

4 (3) any other technological advancements that the Board requires.

5 (i) “FCC order” means an order issued by the Federal Communications
6 Commission under proceedings regarding the compatibility of enhanced 9–1–1
7 systems and delivery of wireless enhanced 9–1–1 service.

8 (j) “Home service provider” means the facilities–based carrier or reseller
9 that contracts with a customer to provide CMRS.

10 (k) “9–1–1–accessible service” means telephone service or another
11 communications service that connects an individual dialing the digits 9–1–1 to an
12 established public safety answering point.

13 (l) “9–1–1 fee” means the fee imposed in accordance with § 1–310 of this
14 subtitle.

15 (m) (1) “9–1–1 service carrier” means a provider of CMRS or other
16 9–1–1–accessible service.

17 (2) “9–1–1 service carrier” does not include a telephone company.

18 (n) (1) “9–1–1 system” means telephone service that:

19 (i) meets the planning guidelines established under this
20 subtitle; and

21 (ii) automatically connects an individual dialing the digits
22 9–1–1 to an established public safety answering point.

23 (2) “9–1–1 system” includes:

24 (i) equipment for connecting and outswitching 9–1–1 calls
25 within a telephone central office;

26 (ii) trunking facilities from a telephone central office to a public
27 safety answering point; and

28 (iii) equipment to connect 9–1–1 calls to the appropriate public
29 safety agency.

30 (o) “9–1–1 Trust Fund” means the fund established under § 1–308 of this
31 subtitle.

1 **(P) “PREPAID WIRELESS E 9-1-1 FEE” MEANS THE FEE THAT IS**
2 **REQUIRED TO BE COLLECTED BY A SELLER FROM A CONSUMER IN THE AMOUNT**
3 **ESTABLISHED UNDER § 1-313 OF THIS SUBTITLE.**

4 **(Q) “PREPAID WIRELESS TELECOMMUNICATIONS SERVICE” MEANS A**
5 **COMMERCIAL MOBILE RADIO SERVICE THAT ALLOWS A CONSUMER TO DIAL**
6 **9-1-1 TO ACCESS THE 9-1-1 SYSTEM AND THAT MUST BE PAID FOR IN ADVANCE**
7 **AND IS SOLD IN PREDETERMINED UNITS WHICH DECLINE WITH USE.**

8 **[(p)] (R)** “Public safety agency” means:

9 (1) a functional division of a public agency that provides fire fighting,
10 police, medical, or other emergency services; or

11 (2) a private entity that provides fire fighting, police, medical, or other
12 emergency services on a voluntary basis.

13 **[(q)] (S)** “Public safety answering point” means a communications facility
14 that:

15 (1) is operated on a 24-hour basis;

16 (2) first receives 9-1-1 calls in a 9-1-1 service area; and

17 (3) as appropriate, dispatches public safety services directly, or
18 transfers 9-1-1 calls to appropriate public safety agencies.

19 **[(r)] (T)** “Secretary” means the Secretary of Public Safety and Correctional
20 Services.

21 **(U) “SELLER” MEANS A PERSON WHO SELLS PREPAID WIRELESS**
22 **TELECOMMUNICATIONS SERVICE TO ANOTHER PERSON.**

23 **[(s)] (V)** “Wireless enhanced 9-1-1 service” means enhanced 9-1-1 service
24 under an FCC order.

25 1-302.

26 (a) The General Assembly:

27 (1) recognizes the paramount importance of the safety and well-being
28 of the public;

29 (2) recognizes that timely and appropriate assistance must be
30 provided when the lives or property of the public is in imminent danger;

1 (3) recognizes that emergency assistance usually is summoned by
2 telephone, and that a multiplicity of emergency telephone numbers existed throughout
3 the State and within each county;

4 (4) was concerned that avoidable delays in reaching appropriate
5 emergency assistance were occurring to the jeopardy of life and property; [and]

6 (5) acknowledges that the three digit number, 9-1-1, is a nationally
7 recognized and applied telephone number that may be used to summon emergency
8 assistance and to eliminate delays caused by lack of familiarity with emergency
9 numbers and by confusion in circumstances of crisis; **AND**

10 **(6) RECOGNIZES THAT THE GROWTH IN POPULARITY OF PREPAID**
11 **WIRELESS TELECOMMUNICATIONS SERVICE MEANS THAT CONSUMERS OF**
12 **PREPAID WIRELESS TELECOMMUNICATIONS SERVICE SHOULD BEGIN**
13 **CONTRIBUTING IN A FAIR AND EQUITABLE MANNER TO THE 9-1-1 TRUST FUND.**

14 (b) The purposes of this subtitle are to:

15 (1) establish the three digit number, 9-1-1, as the primary emergency
16 telephone number for the State; and

17 (2) provide for the orderly installation, maintenance, and operation of
18 9-1-1 systems in the State.

19 1-303.

20 (a) (1) This subtitle does not require a public service company to provide
21 any equipment or service other than in accordance with tariffs approved by the Public
22 Service Commission.

23 (2) The provision of services, the rates, and the extent of liability of a
24 public service company are governed by the tariffs approved by the Public Service
25 Commission.

26 (b) (1) This subtitle does not require a 9-1-1 service carrier to provide
27 any equipment or service other than the equivalent of the equipment and service
28 required of a telephone company under subsection (a) of this section.

29 (2) This subtitle does not extend any liability to a 9-1-1 service carrier
30 **OR SELLER OF PREPAID WIRELESS TELECOMMUNICATIONS SERVICE.**

31 1-308.

32 (a) There is a 9-1-1 Trust Fund.

1 (b) The purposes of the 9-1-1 Trust Fund are to:

2 (1) reimburse counties for the cost of enhancing a 9-1-1 system;

3 (2) pay contractors in accordance with § 1-306(b)(12) of this subtitle;

4 and

5 (3) fund the coordinator position and staff to handle the increased
6 duties related to wireless enhanced 9-1-1 service under § 1-305 of this subtitle, as an
7 administrative cost.

8 (c) The 9-1-1 Trust Fund consists of:

9 (1) money from the 9-1-1 fee collected and remitted to the
10 Comptroller under § 1-310 of this subtitle;

11 (2) money from the additional charge collected and remitted to the
12 Comptroller under § 1-311 of this subtitle; [and]

13 **(3) MONEY FROM THE PREPAID WIRELESS E 9-1-1 FEE**
14 **COLLECTED AND REMITTED TO THE COMPTROLLER UNDER § 1-313 OF THIS**
15 **SUBTITLE; AND**

16 **[(3)] (4)** investment earnings of the 9-1-1 Trust Fund.

17 (d) Money in the 9-1-1 Trust Fund shall be held in the State Treasury.

18 (e) The Secretary shall administer the 9-1-1 Trust Fund, subject to the
19 guidelines for financial management and budgeting established by the Department of
20 Budget and Management.

21 (f) The Secretary shall direct the Comptroller to establish separate accounts
22 in the 9-1-1 Trust Fund for the payment of administrative expenses and for each
23 county.

24 (g) (1) Any investment earnings shall be credited to the 9-1-1 Trust
25 Fund.

26 (2) The Comptroller shall allocate the investment income among the
27 accounts in the 9-1-1 Trust Fund, prorated on the basis of the total fees collected in
28 each county.

29 1-309.

30 (a) On recommendation of the Board, each year the Secretary shall request
31 an appropriation from the 9-1-1 Trust Fund in an amount sufficient to:

- 1 (1) carry out the purposes of this subtitle;
- 2 (2) pay the administrative costs chargeable to the 9-1-1 Trust Fund;
- 3 and
- 4 (3) reimburse counties for the cost of enhancing a 9-1-1 system.

5 (b) (1) Subject to the limitations under subsection (e) of this section, the
6 Comptroller shall disburse the money in the 9-1-1 Trust Fund as provided in this
7 subsection.

8 (2) Each July 1, the Comptroller shall allocate sufficient money from
9 the 9-1-1 fee to pay the costs of administering the 9-1-1 Trust Fund.

10 (3) As directed by the Secretary and in accordance with the State
11 budget, the Comptroller, from the appropriate account, shall:

12 (i) reimburse counties for the cost of enhancing a 9-1-1 system;

13 and

14 (ii) pay contractors in accordance with § 1-306(b)(12) of this
15 subtitle.

16 (4) (i) The Comptroller shall pay to each county from its account
17 the money requested by the county to pay the maintenance and operation costs of the
18 county's 9-1-1 system in accordance with the State budget.

19 (ii) The Comptroller shall pay the money for maintenance and
20 operation costs on September 30, December 31, March 31, and June 30 of each year.

21 (c) (1) Money accruing to the 9-1-1 Trust Fund may be used as provided
22 in this subsection.

23 (2) Money collected from the 9-1-1 fee may be used to:

24 (i) reimburse counties for the cost of enhancing a 9-1-1 system;

25 and

26 (ii) pay contractors in accordance with § 1-306(b)(12) of this
27 subtitle.

28 (3) Money collected from the additional charge may be used by the
29 counties for the maintenance and operation costs of the 9-1-1 system.

30 (d) (1) Reimbursement may be made only to the extent that county money
31 was used to enhance the 9-1-1 system.

1 (2) Reimbursement for the enhancement of 9-1-1 systems shall
2 include the installation of equipment for automatic number identification, automatic
3 location identification, and other technological advancements that the Board requires.

4 (3) Reimbursement from money collected from the 9-1-1 fee may be
5 used only for 9-1-1 system enhancements approved by the Board.

6 (e) (1) The Board may direct the Comptroller to withhold from a county
7 money for 9-1-1 system expenditures if the county violates this subtitle or a
8 regulation of the Board.

9 (2) (i) The Board shall state publicly in writing its reason for
10 withholding money from a county and shall record its reason in the minutes of the
11 Board.

12 (ii) On reaching its decision to withhold money, the Board shall
13 notify the county.

14 (iii) The county has 30 days after the date of notification to
15 respond in writing to the Board.

16 (3) (i) On notification by the Board, the Comptroller shall hold
17 money for the county in the county's account in the 9-1-1 Trust Fund.

18 (ii) Money held by the Comptroller under subparagraph (i) of
19 this paragraph does not accrue interest for the county.

20 (iii) Interest income earned on money held by the Comptroller
21 under subparagraph (i) of this paragraph accrues to the 9-1-1 Trust Fund.

22 (4) County money withheld by the Comptroller shall be withheld until
23 the Board directs the Comptroller to release the money.

24 (f) (1) The Legislative Auditor shall conduct fiscal/compliance audits of
25 the 9-1-1 Trust Fund and of the appropriations and disbursements made for purposes
26 of this subtitle.

27 (2) The cost of the fiscal portion of the audits shall be paid from the
28 9-1-1 Trust Fund as an administrative cost.

29 1-310.

30 **(A) THIS SECTION DOES NOT APPLY TO PREPAID WIRELESS**
31 **TELECOMMUNICATIONS SERVICE.**

32 **[(a)] (B)** Each subscriber to switched local exchange access service or CMRS
33 or other 9-1-1-accessible service shall pay a 9-1-1 fee.

1 **[(b)] (C)** The 9-1-1 fee is 25 cents per month, payable when the bill for the
2 telephone service or CMRS or other 9-1-1-accessible service is due.

3 **[(c)] (D)** (1) The Public Service Commission shall direct each telephone
4 company to add the 9-1-1 fee to all current bills rendered for switched local exchange
5 access service in the State.

6 (2) Each telephone company:

7 (i) shall act as a collection agent for the 9-1-1 Trust Fund with
8 respect to the 9-1-1 fees;

9 (ii) shall remit all money collected to the Comptroller on a
10 monthly basis; and

11 (iii) is entitled to credit, against the money from the 9-1-1 fees
12 to be remitted to the Comptroller, an amount equal to 0.75% of the 9-1-1 fees to cover
13 the expenses of billing, collecting, and remitting the 9-1-1 fees and any additional
14 charges.

15 (3) The Comptroller shall deposit the money remitted in the 9-1-1
16 Trust Fund.

17 **[(d)] (E)** (1) Each 9-1-1 service carrier shall add the 9-1-1 fee to all
18 current bills rendered for CMRS or other 9-1-1-accessible service in the State.

19 (2) Each 9-1-1 service carrier:

20 (i) shall act as a collection agent for the 9-1-1 Trust Fund with
21 respect to the 9-1-1 fees;

22 (ii) shall remit all money collected to the Comptroller on a
23 monthly basis; and

24 (iii) is entitled to credit, against the money from the 9-1-1 fees
25 to be remitted to the Comptroller, an amount equal to 0.75% of the 9-1-1 fees to cover
26 the expenses of billing, collecting, and remitting the 9-1-1 fees and any additional
27 charges.

28 (3) The Comptroller shall deposit the money remitted in the 9-1-1
29 Trust Fund.

30 (4) The Board shall adopt procedures for auditing surcharge collection
31 and remittance by CMRS providers.

1 (5) On request of a CMRS provider, and except as otherwise required
2 by law, the information that the CMRS provider reports to the Board shall be
3 confidential, privileged, and proprietary and may not be disclosed to any person other
4 than the CMRS provider.

5 [(e)] (F) Notwithstanding any other provision of this subtitle, the 9-1-1 fee
6 does not apply to an intermediate service line used exclusively to connect a CMRS or
7 other 9-1-1-accessible service, other than a switched local access service, to another
8 telephone system or switching device.

9 [(f)] (G) A CMRS provider that pays or collects 9-1-1 fees under this
10 section has the same immunity from liability for transmission failures as that
11 approved by the Public Service Commission for local exchange telephone companies
12 that are subject to regulation by the Commission under the Public Utilities Article.

13 1-311.

14 (A) THIS SECTION DOES NOT APPLY TO PREPAID WIRELESS
15 TELECOMMUNICATIONS SERVICE.

16 [(a)] (B) In addition to the 9-1-1 fee, the governing body of each county, by
17 ordinance or resolution enacted or adopted after a public hearing, may impose an
18 additional charge to be added to all current bills rendered for switched local exchange
19 access service or CMRS or other 9-1-1-accessible service in the county.

20 [(b)] (C) (1) The additional charge imposed by a county may not exceed
21 75 cents per month per bill.

22 (2) The amount of the additional charges may not exceed a level
23 necessary to cover the total eligible maintenance and operation costs of the county.

24 [(c)] (D) The additional charge continues in effect until repealed or modified
25 by a subsequent county ordinance or resolution.

26 [(d)] (E) After imposing, repealing, or modifying an additional charge, the
27 county shall certify the amount of the additional charge to the Public Service
28 Commission.

29 [(e)] (F) The Public Service Commission shall direct each telephone
30 company that provides service in a county that imposed an additional charge to add,
31 within 60 days, the full amount of the additional charge to all current bills rendered
32 for switched local exchange access service in the county.

33 [(f)] (G) Within 60 days after a county enacts or adopts an ordinance or
34 resolution that imposes, repeals, or modifies an additional charge, each 9-1-1 service
35 carrier that provides service in the county shall add the full amount of the additional

1 charge to all current bills rendered for CMRS or other 9-1-1-accessible service in the
2 county.

3 **[(g)] (H)** (1) Each telephone company and each 9-1-1 service carrier
4 shall:

5 (i) act as a collection agent for the 9-1-1 Trust Fund with
6 respect to the additional charge imposed by each county;

7 (ii) collect the money from the additional charge on a county
8 basis; and

9 (iii) remit all money collected to the Comptroller on a monthly
10 basis.

11 (2) The Comptroller shall deposit the money remitted in the 9-1-1
12 Trust Fund account maintained for the county that imposed the additional charge.

13 **1-313.**

14 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
15 **MEANINGS INDICATED.**

16 **(2) "CONSUMER" MEANS A PERSON WHO PURCHASES PREPAID**
17 **WIRELESS TELECOMMUNICATIONS SERVICE IN A RETAIL TRANSACTION.**

18 **(3) "PROVIDER" MEANS A PERSON THAT PROVIDES PREPAID**
19 **WIRELESS TELECOMMUNICATIONS SERVICE UNDER A LICENSE ISSUED BY THE**
20 **FEDERAL COMMUNICATIONS COMMISSION.**

21 **(4) "RETAIL TRANSACTION" MEANS THE PURCHASE OF PREPAID**
22 **WIRELESS TELECOMMUNICATIONS SERVICE FROM A SELLER FOR ANY PURPOSE**
23 **OTHER THAN RESALE.**

24 **(B) THERE IS A PREPAID WIRELESS E 9-1-1 FEE OF 60 CENTS PER**
25 **RETAIL TRANSACTION.**

26 **(C) (1) THE PREPAID WIRELESS E 9-1-1 FEE SHALL BE COLLECTED**
27 **BY THE SELLER FROM THE CONSUMER FOR EACH RETAIL TRANSACTION IN THE**
28 **STATE.**

29 **(2) THE AMOUNT OF THE PREPAID WIRELESS E 9-1-1 FEE SHALL**
30 **BE DISCLOSED TO THE CONSUMER AT THE TIME OF THE RETAIL TRANSACTION.**

31 **(D) A RETAIL TRANSACTION OCCURS IN THE STATE IF:**

1 **(1) THE SALE OR RECHARGE TAKES PLACE AT THE SELLER'S**
2 **PLACE OF BUSINESS LOCATED IN THE STATE;**

3 **(2) THE CONSUMER'S SHIPPING ADDRESS IS IN THE STATE; OR**

4 **(3) NO ITEM IS SHIPPED, BUT THE CONSUMER'S BILLING**
5 **ADDRESS OR THE LOCATION ASSOCIATED WITH THE CONSUMER'S MOBILE**
6 **TELEPHONE NUMBER IS IN THE STATE.**

7 **(E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
8 **SUBSECTION, THE PREPAID WIRELESS E 9-1-1 FEE IS THE LIABILITY OF THE**
9 **CONSUMER AND NOT OF THE SELLER OR OF ANY PROVIDER.**

10 **(2) THE SELLER IS LIABLE FOR REMITTING ALL PREPAID**
11 **WIRELESS E 9-1-1 FEES THAT THE SELLER COLLECTS FROM CONSUMERS AS**
12 **PROVIDED IN THIS SECTION.**

13 **(F) A SELLER MAY DEDUCT AND RETAIN 2% OF PREPAID WIRELESS**
14 **E 9-1-1 FEES COLLECTED FROM CONSUMERS.**

15 **(G) A SELLER SHALL REMIT TO THE COMPTROLLER ALL PREPAID**
16 **WIRELESS E 9-1-1 FEES COLLECTED BY THE SELLER IN THE MANNER**
17 **PROVIDED FOR THE REMITTING OF THE SALES AND USE TAX UNDER TITLE 11**
18 **OF THE TAX - GENERAL ARTICLE.**

19 **(H) THE COMPTROLLER SHALL DEPOSIT ALL REMITTED PREPAID**
20 **WIRELESS E 9-1-1 FEES INTO THE 9-1-1 TRUST FUND WITHIN 30 DAYS OF**
21 **RECEIPT.**

22 **(I) FOR THE PURPOSE OF THIS SECTION, THE AUDIT AND APPEAL**
23 **PROCEDURES ESTABLISHED FOR THE SALES AND USE TAX UNDER TITLE 11 OF**
24 **THE TAX - GENERAL ARTICLE APPLY.**

25 **(J) A SELLER THAT IS NOT A PROVIDER OF PREPAID WIRELESS**
26 **TELECOMMUNICATIONS SERVICE IS NOT LIABLE FOR DAMAGES IN CONNECTION**
27 **WITH:**

28 **(1) THE PROVISION OF, OR FAILURE OF, 9-1-1 OR E 9-1-1**
29 **SERVICE;**

30 **(2) IDENTIFYING, OR FAILING TO IDENTIFY, THE TELEPHONE**
31 **NUMBER, ADDRESS, LOCATION, OR NAME ASSOCIATED WITH ANY PERSON OR**

1 DEVICE THAT IS ACCESSING OR ATTEMPTING TO ACCESS 9-1-1 OR E 9-1-1
2 SERVICE; OR

3 (3) THE PROVISION OF ANY LAWFUL ASSISTANCE TO ANY
4 INVESTIGATIVE OR LAW ENFORCEMENT OFFICER.

5 (K) A TAX, FEE, SURCHARGE, OR OTHER CHARGE MAY NOT BE IMPOSED
6 BY THE STATE, ANY POLITICAL SUBDIVISION OF THE STATE, OR ANY
7 INTERGOVERNMENTAL AGENCY, FOR E 9-1-1 FUNDING PURPOSES, ON ANY
8 PROVIDER, SELLER, OR CONSUMER WITH RESPECT TO THE SALE, PURCHASE,
9 USE, OR PROVISION OF PREPAID WIRELESS TELECOMMUNICATIONS SERVICE.

10 (L) THE COMPTROLLER SHALL ADOPT REGULATIONS TO CARRY OUT
11 THE PROVISIONS OF THIS SECTION.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2011.