

# HOUSE BILL 1087

C5, P1

2lr3146  
CF SB 746

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By: **Delegates Hixson and Davis**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Telecommunications Companies – Universal Service Trust Fund – Surcharge**

3 FOR the purpose of expanding the services that are subject to the Universal Service  
4 Trust Fund surcharge; requiring that a certain surcharge be applied to certain  
5 bills and be payable at a certain time; requiring the Public Service Commission  
6 to direct certain companies to add the surcharge to certain bills for certain  
7 services under certain circumstances; requiring certain companies to act as  
8 collection agents for the Fund and to remit certain proceeds to the Comptroller  
9 for deposit in the Fund; providing certain companies a certain credit against  
10 certain proceeds; defining certain terms; making certain technical changes; and  
11 generally relating to the Universal Services Trust Fund surcharge on certain  
12 telecommunications services.

13 BY repealing and reenacting, without amendments,  
14 Article – State Finance and Procurement  
15 Section 3A–501(a) and (c), 3A–504(a), 3A–601(a) and (c), 3A–602(a), and 3A–606  
16 Annotated Code of Maryland  
17 (2009 Replacement Volume and 2011 Supplement)

18 BY adding to  
19 Article – State Finance and Procurement  
20 Section 3A–501(g) and (i)  
21 Annotated Code of Maryland  
22 (2009 Replacement Volume and 2011 Supplement)

23 BY repealing and reenacting, with amendments,  
24 Article – State Finance and Procurement  
25 Section 3A–501(g) and 3A–506  
26 Annotated Code of Maryland  
27 (2009 Replacement Volume and 2011 Supplement)

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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 – State Finance and Procurement**

4 3A-501.

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

6 (c) “Dual party telephone relay program” means a service that provides full  
7 and simultaneous communication between a person or persons with a disability that  
8 prevents them from using a standard telephone and a person or persons without that  
9 disability using conventional telephone equipment or other technology or equipment,  
10 whereby the disabled person or persons have their message relayed through an  
11 intermediary party using specialized telecommunications equipment.

12 **(G) “TELECOMMUNICATIONS COMPANY” MEANS A COMPANY THAT:**

13 **(1) IS:**

14 **(I) A PUBLIC SERVICE COMPANY, AS DEFINED IN §**  
15 **1-101 OF THE PUBLIC UTILITIES ARTICLE;**

16 **(II) A WIRELESS COMMUNICATIONS COMPANY; OR**

17 **(III) AN INTERNET PROTOCOL TELEPHONY COMPANY; AND**

18 **(2) (I) PROVIDES FOR THE RECEPTION, TRANSMISSION, OR**  
19 **COMMUNICATION OF MESSAGES BY TELEPHONE OR OTHER DEVICE; OR**

20 **(II) LEASES, SELLS, OR RESELLS TELEPHONE OR**  
21 **TELECOMMUNICATIONS SERVICE.**

22 **[(g)] (H)** “Telecommunications device for the deaf” or “TDD/TT/TTY” means  
23 all types of mechanical devices that enable disabled individuals to communicate  
24 through messages sent and received through a telephone or wireless network.

25 **(I) “TELECOMMUNICATIONS SERVICE” MEANS:**

26 **(1) LANDLINE TELEPHONE SERVICE;**

27 **(2) WIRELESS TELEPHONE SERVICE; OR**

28 **(3) VOICE OVER INTERNET PROTOCOL (VOIP) SERVICE, AS**  
29 **DEFINED IN § 8-601 OF THE PUBLIC UTILITIES ARTICLE.**

1 3A-504.

2 (a) The Department in consultation with the Board shall:

3 (1) establish and administer a program to provide cost-efficient,  
4 24-hour, dual party relay service to program participants at a comparable level of  
5 access and quality that a standard telecommunication service provides to a person  
6 without a hearing or speech disability;

7 (2) develop the program in collaboration with State programs  
8 currently serving disabled individuals and with community agencies or other  
9 organizations that have established relay programs; and

10 (3) maintain an information and referral service to provide  
11 information about the availability of the relay service.

12 3A-506.

13 (a) The programs under § 3A-504(a) of this subtitle and § 3A-602(a) of this  
14 title shall be funded as provided in the State budget.

15 (b) (1) There is a Universal Service Trust Fund created for the purpose of  
16 paying the costs of maintaining and operating the program under § 3A-504(a) of this  
17 subtitle subject to the limitations and controls provided in this subtitle, and the  
18 program under § 3A-602(a) of this title subject to the limitations and controls provided  
19 in Subtitle 6 of this title.

20 (2) Moneys in the Universal Service Trust Fund shall be held in the  
21 State Treasury.

22 (c) (1) The costs of the programs under § 3A-504(a) of this subtitle and §  
23 3A-602(a) of this title shall be funded by revenues generated by:

24 (I) a surcharge to be paid by the subscribers to [switched local  
25 exchange access] A TELECOMMUNICATIONS service; and [by]

26 (II) other funds as [the] PROVIDED IN THE STATE budget [may  
27 provide].

28 (2) (I) The surcharge may not exceed 45 cents per month and shall  
29 be applied to all current bills rendered for [switched local exchange access]  
30 TELECOMMUNICATIONS service in the State.

31 (II) The surcharge is payable at the time the bills for  
32 [telephone] TELECOMMUNICATIONS service are due.

1 (d) (1) The Secretary shall annually certify to the Public Service  
2 Commission the costs of the programs under § 3A-504(a) of this subtitle and §  
3 3A-602(a) of this title to be paid by the Universal Service Trust Fund.

4 (2) The Public Service Commission shall determine the surcharge  
5 necessary to fund the programs under § 3A-504(a) of this subtitle and § 3A-602(a) of  
6 this title [and].

7 (3) (I) **THE PUBLIC SERVICE COMMISSION** shall, on 60 days'  
8 notice, direct the affected [telephone] **TELECOMMUNICATIONS** companies **THAT ARE**  
9 **PUBLIC SERVICE COMPANIES** to add the surcharge **DETERMINED BY THE**  
10 **COMMISSION UNDER PARAGRAPH (2) OF THIS SUBSECTION** to all current bills  
11 rendered for [switched local exchange access] **TELECOMMUNICATIONS** service in the  
12 State.

13 (II) 1. **IN ACCORDANCE WITH SUBSUBPARAGRAPH 2 OF**  
14 **THIS SUBPARAGRAPH, THE SECRETARY SHALL, ON 60 DAYS' NOTICE, DIRECT**  
15 **THE AFFECTED TELECOMMUNICATIONS COMPANIES THAT ARE NOT PUBLIC**  
16 **SERVICE COMPANIES TO ADD THE SURCHARGE TO ALL CURRENT BILLS**  
17 **RENDERED FOR TELECOMMUNICATIONS SERVICE IN THE STATE.**

18 2. **THE AMOUNT OF THE SURCHARGE ADDED TO**  
19 **CURRENT BILLS BY AFFECTED TELECOMMUNICATIONS COMPANIES THAT ARE**  
20 **NOT PUBLIC SERVICE COMPANIES SHALL BE THE SAME AMOUNT AS THE**  
21 **AMOUNT OF THE SURCHARGE ADDED TO CURRENT BILLS BY AFFECTED**  
22 **TELECOMMUNICATIONS COMPANIES THAT ARE PUBLIC SERVICE COMPANIES.**

23 (e) (1) The affected [telephone] **TELECOMMUNICATIONS** companies shall  
24 act as collection agents for the Universal Service Trust Fund and shall remit all  
25 proceeds monthly to the Comptroller for deposit to the Universal Service Trust Fund.

26 (2) The [telephone] **TELECOMMUNICATIONS** companies shall be  
27 entitled to credit against these proceeds in an amount equal to 1 1/2 percent of these  
28 proceeds to cover the expenses of billing, collecting, and remitting the surcharge and  
29 any additional charges.

30 (f) (1) The Secretary shall administer the Universal Service Trust Fund.

31 (2) The income derived from investment of money in the Fund shall  
32 accrue to the Fund.

33 (g) (1) The Legislative Auditor shall conduct postaudits of a fiscal and  
34 compliance nature of the Universal Service Trust Fund and the expenditures made for  
35 purposes of § 3A-504(a) of this subtitle and § 3A-602(a) of this title.

1                   (2)     The cost of the fiscal portion of the postaudit examination shall be  
2 paid from the Universal Service Trust Fund as an administrative cost.

3     3A-601.

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

5           (c)     “Program” means the program developed and administered by the  
6 Department in consultation with the Board and the Department of Disabilities to  
7 provide financial assistance for the purchase of specialized customer telephone  
8 equipment by eligible program participants.

9     3A-602.

10          (a)     In accordance with the State budget and § 3A-506 of this title, the  
11 Department, in consultation with the Board and the Department of Disabilities, shall  
12 establish and administer a program:

13                   (1)     to provide specialized customer telephone equipment to eligible  
14 program participants; and

15                   (2)     to provide reimbursement of costs under § 3A-606 of this subtitle.

16     3A-606.

17          (a)     The Department in consultation with the Board and the Department of  
18 Disabilities shall enter into an agreement with the State Department of Education,  
19 Division of Library Development and Services, providing for an annual payment to be  
20 made to the Division in an amount equal to the cost incurred for the distribution of  
21 newspapers in a computerized audio format.

22          (b)     Under the agreement, the Division of Library Development and Services  
23 shall provide eligible blind and disabled individuals with access to newspapers in a  
24 computerized audio format by a qualified entity.

25                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 July 1, 2012.