

SB61_Senator_Kagan_Testimony_FAV

Uploaded by: Kagan, Senator Cheryl

Position: FAV

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SB61: Public Safety - 9-1-1 Fees - Audits
Budget and Taxation Committee
Hearing: January 15, 2020, 1:00 PM

The Office of Legislative Audits released a report on November 20, 2019, which criticized the Emergency Numbers Systems Board (ENSB) for not auditing regularly. Fortunately, the NG911 Commission had already crafted a solution to that problem.

As Maryland moves forward with improvements to the 9-1-1 system, it is imperative to verify that all ~202 telephone companies and other 9-1-1 service providers are complying with the funding portions of the new law. As you may have heard, there have been problems with the accuracy in collection of the 9-1-1 fees. T-Mobile had been overcharging its customers for up to 14.5 years as reported in the Baltimore Sun (<http://bit.ly/2Nk7lo8>). In one Michigan county, it was discovered that Sprint had not been collecting the increased 9-1-1 fee, resulting in the company making a \$1.45 million late payment (<http://bit.ly/3a9DgXs>).

“Carl Henn’s Law,” (SB339) enacted in 2019, adjusted the 9-1-1 fee structure. In order to ensure that the 9-1-1 fees are collected and remitted accurately, the NG911 Commission voted to authorize the State Comptroller to perform audits. The Office of the Comptroller already audits our telecommunications providers for sales tax receipts, so they have the expertise and the staff to expand their efforts to include the 9-1-1 fee. SB61 would:

- Authorize the Comptroller’s Office to conduct audits of 9-1-1 fee collection and remittance of the ~202 telephone service providers;
- Require the Comptroller to submit an annual report to the ENSB; and,
- Allow for a fee not more than .5% to be charged for this service (less than the ENSB is currently paying).

SB61 has been introduced as emergency legislation, so as to allow the Comptroller’s Office to begin immediately. Each month that goes by without proper oversight is a missed opportunity to ensure that the much-needed fees are being collected for our 9-1-1 Centers.

I urge the Committee to favorably report SB61.

Amendment: There is a clarifying amendment to ensure that both State and County fees are audited and ensure that the ENSB will cover the fee for both sources of revenue.

SB0061-BT

Uploaded by: KINNALLY, KEVIN

Position: FAV



Senate Bill 61

Public Safety – 9-1-1 Fees - Audits

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: January 15, 2020

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 61. This bill establishes the necessary framework to ensure that 9-1-1 fees are collected and remitted in accordance with state law.

In 2019, the General Assembly passed landmark legislation to update state laws and the 9-1-1 financing system to provide the flexibility and resources needed for the deployment of a statewide Next Generation 9-1-1 (NG911) system that our residents expect and deserve. As Maryland accelerates its move toward NG911, this process will assure that telecommunications providers are properly collecting and remitting 9-1-1 fees.

Telecommunications providers collect and remit monthly the state 9-1-1 fee and the county charge to the Comptroller for deposit into the 9-1-1 Trust Fund. Counties rely on the state fee revenues to fund capital enhancements to county 9-1-1 systems. The county charge revenues are distributed quarterly to each jurisdiction in order to fund county 9-1-1 operational costs.

SB 61 requires telecommunications providers to keep records of 9-1-1 fees collected and remitted for at least four years. The Comptroller, in consultation with the Emergency Number Systems Board (ENSB), will adopt procedures for auditing the collection and remittance of state and local 9-1-1 fees. Additionally, the bill requires the Comptroller to develop and distribute training materials to all providers detailing Maryland's 9-1-1 fee structure, and any associated auditing procedures.

SB 61 properly shifts auditing responsibilities to the Office of the Comptroller, which has the data, tools, and staff expertise to ensure appropriate oversight of Maryland's 9-1-1 Trust Fund. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on SB 61.

DPSCS_ Letter of Information_SB0061

Uploaded by: Roper, Scott

Position: INFO

MARYLAND



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Emergency Number Systems Board

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January 15, 2020

The Honorable Guy Guzzone, Chairman
Senate Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

Re: Senate Bill 61: Public Safety – 9-1-1 Fees – Audits

Dear Senator Guzzone and Committee Members:

The Emergency Number Systems Board (ENSB or Board) Executive Director and several Board members serve on the Commission to Advance Next Generation 9-1-1 Across Maryland (Commission). The transfer of 9-1-1 fee auditing to the Comptroller was a recommendation of the Commission. The Comptroller is well positioned to perform these audits as they are currently auditing sales tax on the same telecommunications providers that collect and remit 9-1-1 fees.

Currently, to audit carriers for 9-1-1 fees, the ENSB would need to contract with an auditing firm to provide this service for each audit cycle.

The ENSB Office of the Executive Director's staff has met with the Comptroller's staff to discuss notifications to carriers, audit and finding processes and expected outcomes prior to this bill being drafted. Each entity has defined its role in the process, and the ENSB staff is comfortable with the proposed audit process.

If you have any questions, or if I can provide further assistance, please do not hesitate to contact me at (410) 339 – 6305.

Sincerely,

Scott G. Roper
Executive Director