

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 12-153—SB 354**

*Finance, Revenue and Bonding Committee  
Public Safety and Security Committee*

**AN ACT CONCERNING THE ENHANCED EMERGENCY 9-1-1 PROGRAM**

**SUMMARY:** This act modifies how prepaid wireless subscribers are assessed the fee that supports the Enhanced 9-1-1 (E 9-1-1) program. Under prior law, the Public Utilities Regulatory Authority (PURA) determined the monthly fee, capped at 50 cents per line per month, assessed on various telecommunications service subscribers, including prepaid subscribers. The act eliminates this monthly fee for prepaid wireless subscribers and, instead, levies a “prepaid wireless E 9-1-1 fee” on each purchase of prepaid wireless telecommunications services from a retailer. It makes the fee equal to the monthly fee PURA assesses on other telecommunications service subscribers. A related act, PA 12-134, increases the cap on this monthly fee from 50 to 75 cents per month, per access line.

The act requires retailers to collect the prepaid wireless E 9-1-1 fee, and makes consumers liable for paying it. It allows retailers to keep 1% of the amount collected and requires them to remit the balance to the Division of Revenue Services (DRS), which must forward it to the State Treasurer’s Office for deposit in the E 9-1-1 Telecommunications Fund. It allows DRS to make a one-time deduction of not more than \$120,000 from the fund for administering the collection and remittance of the fees.

The act extends to telecommunications, wireless telecommunications, and prepaid wireless telecommunications service providers and their agents, who release 9-1-1 subscriber information as required by law the immunity that previously applied only to telephone companies and their agents who release such information.

The act also prohibits PURA from approving any monthly fee for commercial mobile radio service (e.g., cell phone) subscribers that includes the progressive wire line inclusion schedule. This schedule discounts the monthly rate paid by subscribers with more than one phone at a location.

It makes technical and conforming changes.

EFFECTIVE DATE: January 1, 2013

**PREPAID WIRELESS FEES**

*E 9-1-1 Fee Assessment and Collection*

Under prior law, PURA determined the monthly fee to be assessed on subscribers of the following telecommunications services: (1) local telephone, (2) commercial mobile radio service, (3) voice over Internet protocol (VOIP) (e.g., services provided by Vonage or Skype), and (4) prepaid wireless telephone

## OLR PUBLIC ACT SUMMARY

service. The law caps the monthly fee that PURA may assess and precludes it from approving any fee that excludes the progressive wire line inclusion schedule. (PA 12-134 increases the cap on this fee from 50 to 75 cents per line per month.)

The act creates a separate assessment method for, and replaces the monthly assessment on, people who buy prepaid wireless telecommunications service with a per-transaction assessment equal to the monthly rate PURA assesses on other telecommunications service subscribers. For the act's purposes, if a consumer purchase includes multiple prepaid services, each individual service constitutes a retail transaction. The act also prohibits PURA from approving any commercial mobile radio service fee that includes the progressive wire line inclusion schedule.

The act replaces the term "prepaid wireless telephone service" with "prepaid wireless telecommunications service" to reflect the enhanced capability of current technology. It defines "prepaid wireless telecommunications service" as a service that a consumer pays for in advance, allowing him or her to access the E 9-1-1 system by dialing 9-1-1. The service is sold in predetermined units or dollars that decline with use. The act defines a "provider" as anyone who provides prepaid wireless telecommunications service under a Federal Communications Commission license.

### *Collection and Remittance of E 9-1-1 Fees*

Under prior law, wireless service providers assessed the E 9-1-1 fee against their subscribers and paid the fee monthly to the state treasurer for deposit in the E 9-1-1 fund. The act requires any seller conducting a retail transaction in Connecticut to collect the prepaid wireless E 9-1-1 fee from consumers when they buy prepaid wireless communications services. A retail transaction occurs in Connecticut if (1) it is made in the consumer's presence at the retailer's business place in Connecticut or (2) the customer's shipping address or, if no item is shipped, his or her billing address or the location associated with his or her mobile phone number, is in Connecticut.

Retailers must disclose the amount of the fee to consumers in an invoice, a receipt, or other similar document, or post it conspicuously on their websites or on a conspicuous sign at the point of sale.

### *Liability for Fees*

Under the act, consumers are liable for paying the prepaid wireless E 9-1-1 fee. Sellers and providers of prepaid wireless telecommunications services have no liability; however, they must remit to DRS any fees they are required to collect, including any fees not stated separately on an invoice, receipt, or other similar document they give to the consumer.

### *DRS Responsibilities*

The act allows retailers to retain 1% of the fees they collect and requires them to remit the balance to DRS by following existing law's sales and use tax procedures. The same audit and appeal procedures established in statute for the sales and use tax apply to prepaid wireless E 9-1-1 fees.

DRS must establish registration and payment procedures that substantially

## OLR PUBLIC ACT SUMMARY

coincide with those that apply to retailers for sales and use tax purposes. It must also establish procedures by which sellers of prepaid wireless telecommunications may document that a sale is not a retail transaction. The procedures must substantially coincide with those used for documenting sale for resale transactions for sales and use tax purposes.

Not later than 30 days after receiving any prepaid wireless E 9-1-1 fee, DRS must transfer it to the state treasurer for deposit in the E 9-1-1 Telecommunications Fund. Any revenue from the prepaid wireless E 9-1-1 fee is subject to any restrictions under existing law.

### *Treatment of Prepaid Wireless E 9-1-1 Fees for Tax Purposes*

Under the act, the amount of the prepaid wireless E 9-1-1 fees that sellers collect must be excluded from the base for measuring any tax, fee, surcharge, or other charge that the state, any state political subdivision, or any intergovernmental agency imposes on a seller, as long as the seller separately states the amount in an invoice, receipt, or other similar document provided to the consumer.

### E 9-1-1 LIABILITY ISSUES

By law, telephone companies and VOIP service providers must forward the telephone number and street address from which a 9-1-1 call is made to a safety answering point. The law immunizes the companies and their agents from liability for (1) releasing E 9-1-1 subscriber information in accordance with the law or (2) the failure of any equipment or procedure in connection with E 9-1-1 or an emergency notification system. The act extends this immunity to telecommunications, wireless telecommunications, and prepaid wireless telecommunications service providers and their agents.

### BACKGROUND

#### *The E 9-1-1 System and Funding*

The E 9-1-1 system provides dispatch services to people who call 9-1-1. The emergency services and public protection commissioner must annually determine the amount of funds needed to develop and administer the system. Funding for the system is generated by a monthly surcharge levied on all phone lines (CGS § 28-30a). PURA sets the surcharge based on cost and usage data provided by the Office of State-Wide Emergency Telecommunications (OSET) and subject to a statutory cap (currently 75 cents per month) (CGS § 16-256g, as amended by PA 12-134). Subscribers with multiple lines are assessed on a sliding scale. Subscribers pay the surcharge to their telephone service provider which, in turn, remits it to the State Treasurer's Office monthly for deposit in the E 9-1-1 Telecommunications Fund.

#### *Related Act*

Public Act 12-134 increases, from 50 to 75 cents per month, per access line,

OLR PUBLIC ACT SUMMARY

the maximum amount that PURA may assess telecommunications subscribers to fund the E 9-1-1 program.

OLR Tracking: RP:KS:PF:eh