



House of Representatives

General Assembly

File No. 651

January Session, 2021

House Bill No. 6629

House of Representatives, May 10, 2021

The Committee on Finance, Revenue and Bonding reported through REP. SCANLON of the 98th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE COLLECTION AND REMITTANCE OF THE E 9-1-1 FEE BY MARKETPLACE FACILITATORS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 28-30b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2022, and*
3 *applicable to sales occurring on or after July 1, 2022*):

4 As used in this section and sections 28-30a, [28-30b,] 28-30d, 28-30e
5 and 28-30f, as amended by this act:

6 (1) "Consumer" means a person who purchases prepaid wireless
7 telecommunications service in a retail transaction.

8 (2) "Marketplace facilitator" has the same meaning as provided in
9 section 12-408e.

10 [(2)] (3) "Prepaid wireless E 9-1-1 fee" means the fee that a seller
11 collects from a consumer in an amount established by section 28-30e.

12 [(3)] (4) "Prepaid wireless telecommunications service" means a
13 wireless telephone service that a consumer pays for in advance, that
14 allows the consumer to access the E 9-1-1 system by dialing or otherwise
15 accessing the digits "9-1-1", and that is sold in predetermined units or
16 dollars and such units or dollars decline with use.

17 [(4)] (5) "Provider" means any person who provides prepaid wireless
18 telecommunications service pursuant to a license issued by the Federal
19 Communications Commission.

20 [(5)] (6) "Retail transaction" means a purchase of prepaid wireless
21 telecommunications service from a seller for any purpose other than
22 resale.

23 [(6)] (7) "Seller" means a person who sells prepaid wireless
24 telecommunications service to a consumer. "Seller" includes a
25 marketplace facilitator that facilitates the sale of prepaid wireless
26 telecommunications service to a consumer.

27 [(7)] (8) "Voice over Internet protocol service" or "VOIP" means a
28 service that has the following characteristics: (A) Enables real-time, two-
29 way voice communication; (B) requires a broadband connection from
30 the users' locations; (C) requires IP-compatible customer premises
31 equipment; and (D) allows subscribers generally to receive calls that
32 originate on the public switched telephone network and to terminate
33 calls on the public switched telephone.

34 [(8)] (9) "Voice over Internet protocol service provider" or "VOIP
35 service provider" means a company that provides VOIP telephone
36 service.

37 [(9)] (10) "Wireless telecommunications service" means commercial
38 mobile radio service, as defined in 47 CFR Section 20.3, as from time to
39 time amended.

40 Sec. 2. Subsections (d) and (e) of section 28-30f of the general statutes
41 are repealed and the following is substituted in lieu thereof (*Effective*
42 *October 1, 2021*):

43 (d) The department shall establish procedures by which a seller [of
 44 prepaid wireless telecommunications service] may document that a sale
 45 is not a retail transaction, which procedures shall substantially coincide
 46 with the procedures for documenting sale for resale transactions
 47 pursuant to section 12-410.

48 (e) The department shall, not later than thirty days after receiving any
 49 prepaid wireless E 9-1-1 fee, transfer such fee to the office of the State
 50 Treasurer for deposit into the Enhanced 9-1-1 Telecommunications
 51 Fund, established pursuant to section 28-30a. Any revenue from the
 52 prepaid wireless E 9-1-1 fee shall be subject to any restrictions provided
 53 by section 28-30a. The department may make a one-time deduction of
 54 not more than one hundred twenty thousand dollars from such fund
 55 and may use [said] such amount to reimburse its direct costs of
 56 administering the collection and remittance of prepaid wireless E 9-1-1
 57 fees.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2022, and applicable to sales occurring on or after July 1, 2022</i>	28-30b
Sec. 2	<i>October 1, 2021</i>	28-30f(d) and (e)

FIN Joint Favorable

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Emergency Services and Public Protection, Dept.	Enhanced 911 Telecommunications Fund - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes marketplace facilitators retailers for the purposes of collecting the E-911 fee which results in a potential revenue gain to the Enhanced 911 Telecommunications Fund to the extent sales occur through marketplace facilitators. The fee is determined annually by the Public Utilities Regulatory Authority.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 6629*****AN ACT CONCERNING THE COLLECTION AND REMITTANCE OF THE E 9-1-1 FEE BY MARKETPLACE FACILITATORS.*****SUMMARY**

This bill makes marketplace facilitators retailers for purposes of collecting and remitting the prepaid wireless E-911 fee, which supports the state's enhanced emergency 911 program.

By law, this fee is imposed on each sale of prepaid wireless telecommunications services (see BACKGROUND) by a seller conducting a retail transaction 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. They may keep 1% of the amount collected and must remit the balance to the state. Under the bill, marketplace facilitators that facilitate the sale of prepaid wireless telecommunications services to consumers are considered retailers for these purposes and are thus subject to these requirements. Existing law already requires marketplace facilitators to collect and remit sales tax on behalf of their marketplace sellers.

By law, a "marketplace facilitator" is any person who:

1. facilitates retail sales of at least \$250,000 by marketplace sellers during the prior 12-month period by providing a forum (e.g., website, catalog, or booth) that lists or advertises taxable tangible personal property or services, including digital goods, for sale by such sellers;
2. collects receipts from customers and remits payments to

marketplace sellers, directly or indirectly, through agreements or arrangements with third parties; and

- 3. receives compensation or other consideration for these services.

EFFECTIVE DATE: July 1, 2022, and applicable to sales occurring on or after July 1, 2022, except that a technical change is effective October 1, 2021.

BACKGROUND

E-911 Fee

The Connecticut Public Utilities Regulatory Authority assesses this fee on telecommunications service subscribers each June, which also applies to prepaid wireless telecommunications services. The fee is currently \$0.68.

Prepaid Wireless Telecommunications Service

A prepaid wireless telecommunications service is a wireless telephone service that a consumer pays in advance that (1) allows access to the E-911 system by dialing 911 and (2) is sold in predetermined units or dollars that decline with use (sometimes called “no contract plans”). It includes prepaid wireless phone cards, recharge or refill authorization codes, and prepaid cell phones or other prepaid wireless devices preloaded with airtime minutes. It excludes “calling cards.”

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 48 Nay 0 (04/22/2021)