

BILL ANALYSIS

Senate Research Center
87R21533 JG-D

H.B. 2911
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Business & Commerce
5/17/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2911 amends current law relating to next generation 9-1-1 service and increases a fee.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 771.001, Health and Safety Code, by adding Subdivision (5-a) and amending Subdivision (6), to define "next generation 9-1-1 service" and redefine "9-1-1 service" for purposes of Chapter 771 (State Administration of Emergency Communications).

SECTION 2. Amends Section 771.059, Health and Safety Code, as follows:

Sec. 771.059. New heading: TARGET DATE FOR STATEWIDE NEXT GENERATION 9-1-1 SERVICE. Requires that before September 1, 2025, all parts of the state be covered by next generation 9-1-1 service, rather than requires that by September 1, 1995, all parts of the state be covered by 9-1-1 service.

SECTION 3. Amends the heading to Section 771.0711, Health and Safety Code, to read as follows:

Sec. 771.0711. GENERAL REQUIREMENTS FOR EMERGENCY SERVICE FEES FOR WIRELESS TELECOMMUNICATIONS CONNECTIONS.

SECTION 4. Amends Sections 771.0711(a), (b), and (c), Health and Safety Code, as follows:

(a) Requires the Commission on State Emergency Communications (CSEC), except as provided by Section 772.114, to provide for automatic number identification and automatic location identification of wireless 9-1-1 calls and for the deployment and reliable operation of next generation 9-1-1 service, to impose on each wireless telecommunications connection a 9-1-1 emergency service fee.

(b) Requires a wireless service provider to collect the fee in an amount equal to 75 cents a month, rather than 50 cents a month, for each wireless telecommunications connection from its subscribers and to pay the money collected to the Comptroller of Public Accounts of the State of Texas (comptroller) not later than the 30th day after the last day of the month during which the fees were collected. Makes no further changes to this subsection.

(c) Authorizes that money collected under Subsection (b) be used only for services related to 9-1-1 services, including automatic number identification and automatic location information services and the deployment and reliable operation of next generation 9-1-1 service, or as authorized by Section 771.079(c) (relating to the purposes for which money in a certain account is authorized to be appropriated to CSEC). Requires CSEC, not later than the 15th day after the end of the month in which the money is

collected, to distribute to each emergency communication district that does not participate in the state system a portion of the money that bears the same proportion to the total amount collected that the population of the area served by the district bears to the population of the state, excluding the population of the emergency communication district created under Subchapter B (Emergency Communication Districts: Counties with Population Over Two Million), Chapter 772 (Local Administration of Emergency Communications). Requires that the remaining money collected under Subsection (b) be deposited to the 9-1-1 services fee account. Requires that the emergency communication district created under Subchapter B, Chapter 772, notwithstanding this subsection, be included in the collection and distribution of prepaid wireless 9-1-1 emergency service fees under Section 771.0712 (Prepaid 9-1-1 Emergency Service Fee).

SECTION 5. Amends Section 772.103, Health and Safety Code, by adding Subdivisions (2-a), (4), and (5) to define "next generation 9-1-1 service," "wireless service provider," and "wireless service subscriber" for purposes of Subchapter B.

SECTION 6. Amends Sections 772.114 and 772.115, Health and Safety Code, as follows:

Sec. 772.114. New heading: 9-1-1 EMERGENCY SERVICE FEES. (a) Authorizes the board of managers (board) of an emergency communication district (district) to:

(1) creates this subdivision from existing text and makes nonsubstantive changes; and

(2) impose a 9-1-1 emergency service fee on each wireless telecommunications connection in the district to provide for:

(A) automatic number identification and automatic location identification of wireless 9-1-1 calls; and

(B) the deployment and reliable operation of next generation 9-1-1 service.

(b) Creates this subsection from existing text. Provides that for purposes of Subsection (a)(1), rather than for purposes of this subsection, the jurisdiction of the county is the unincorporated area of the county.

(c) Authorizes the fee authorized under Subsection (a)(1), rather than the fee, to be imposed only on the base rate charge or its equivalent, excluding charges for coin-operated telephone equipment. Prohibits the fee from being imposed on more than 100 local exchange access lines or their equivalent for a single business entity at a single location, unless the lines are used by residents of the location. Prohibits the fee from being imposed on any line that CSEC, rather than the Advisory Commission on State Emergency Communications, excluded from the definition of a local exchange access line or an equivalent local exchange access line pursuant to Section 771.063 (Definition of Local Exchange Access Line and Equivalent Local Exchange Access Line). Requires that each line that terminates at a residential unit and that is a communication link equivalent to a residential local exchange access line, if a business service user provides residential facilities, be charged the fee, rather than the 9-1-1 emergency service fee. Makes nonsubstantive changes.

(d) Makes conforming and nonsubstantive changes to this subsection.

(e) Prohibits CSEC from imposing on a wireless telecommunications connection in the district a fee authorized by Section 771.0711 (Emergency Service Fee for Wireless Telecommunications Connections) that is imposed for the same purposes as the purposes described by Subsection (a)(2).

(f) Prohibits the amount of the fee imposed under Subsection (a)(2) from:

(1) exceeding 75 cents a month for each wireless telecommunications connection; and

(2) increasing by more than 10 percent of the monthly fee amount imposed under that subdivision in the preceding year each time the fee amount is set.

(g) Requires the board to set the amount of the 9-1-1 emergency service fees each year as part of the annual budget. Requires the board to notify each service supplier and wireless service provider of a change in the amount of the applicable fee imposed on the service supplier or wireless service provider not later than the 91st day before the date the change takes effect. Deletes existing text requiring the board to notify each service supplier of a change in the amount of the fee not later than the 91st day before the date the change takes effect. Makes conforming and nonsubstantive changes.

(h) Requires the board, in imposing the 9-1-1 emergency service fees, to attempt to match the district's revenues to its operating expenditures and to provide reasonable reserves for contingencies and for the purchase and installation of 9-1-1 emergency service equipment. Requires the board by resolution, if the revenue received from the fees exceeds the amount of money needed to fund the district, to reduce the rate of either fee, rather than the rate of the fee, to an amount adequate to fund the district as required by this subsection or suspend the imposition of either fee. Makes conforming and nonsubstantive changes.

(i) Provides that in a public agency whose governing body at a later date votes to receive 9-1-1 service from the district, rather than receive 9-1-1 service from the district at a later date, the 9-1-1 emergency service fees are imposed beginning on the date specified by the board. Authorizes the board to charge the agency, rather than the incoming agency, an additional amount of money to cover the initial cost of providing 9-1-1 service to the agency. Makes conforming and nonsubstantive changes.

Sec. 772.115. New heading: COLLECTION OF FEES. (a) Provides that each service user or wireless service subscriber billed a 9-1-1 emergency service fee is liable for the fee until the fee is paid to the service supplier or wireless service provider, as applicable. Requires that the applicable fee be added to and stated separately in the service user's or wireless service subscriber's bill from the service supplier or wireless service provider. Deletes existing text providing that each billed service user is liable for the fee imposed under Section 772.114 until the fee is paid to the service supplier. Deletes existing text requiring that the fee be added to and stated separately in the service user's bill from the service supplier. Makes conforming changes.

(b) Creates this subsection from existing text. Requires a business service user that provides residential facilities and owns or leases a publicly or privately owned telephone switch used to provide telephone service to facility residents to collect the fee under Section 772.114(a)(1), rather than to collect the 9-1-1 emergency service fee, and transmit the fees monthly to the district. Makes a nonsubstantive change.

(c) Makes conforming and nonsubstantive changes to this subsection.

(d) Provides that the amount collected by a wireless service provider from the fee imposed under Section 772.114(a)(2) is due monthly. Requires the wireless service provider to remit the amount collected in a calendar month to the comptroller not later than the 30th day after the last day of the calendar month. Requires the wireless service provider to file a return in the form prescribed by the comptroller or in a comparable form generated by the billing system of the wireless service provider with each payment.

(e) Requires the comptroller to deposit the money collected under Subsection (d) in a trust fund in the state treasury for the benefit of the district until distributed to the district. Requires CSEC, not later than the 15th day following the last day of the month in which the money is collected, to provide to the district a copy of the confidential returns filed by each wireless service provider under Subsection (d) and distribute to the district the total amount of money remitted to the comptroller under that subsection from 9-1-1 emergency service fees imposed under Section 772.114(a)(2) on wireless telecommunications connections in the district.

(f) Requires a service supplier, a wireless service provider and a business service user under Subsection (b), to maintain records of the amount of the applicable 9-1-1 emergency service fees the service supplier, wireless service provider, or business service user collects for at least two years after the date of collection. Authorizes the board to require at the board's expense an annual audit of a service supplier's, wireless service provider's, or business service user's books and records with respect to the collection and remittance of the applicable fees. Deletes existing text authorizing the board to require an annual audit of a service supplier's books and records or the books and records of a business service user described by Subsection (a) with respect to the collection and remittance of the fees. Makes nonsubstantive changes.

(g) Provides that a business service user that does not collect and remit the fee under Section 772.114(a)(1) as required by this section is subject to a civil cause of action under Subsection (j), rather than under Subsection (g). Makes conforming and nonsubstantive changes.

(h) Provides that a service supplier or wireless service provider is entitled to retain an administrative fee from the amount of the applicable 9-1-1 emergency service fees the service supplier or wireless service provider collects under this section. Provides that the amount of the administrative fee is two percent of the amount of fees the service supplier or wireless service provider collects. Makes conforming and nonsubstantive changes.

(i) and (j) Makes conforming and nonsubstantive changes to these subsections.

SECTION 7. Amends Sections 772.119(a) and (d), Health and Safety Code, to make conforming changes.

SECTION 8. Amends Section 772.120(a), Health and Safety Code, to make conforming changes.

SECTION 9. Amends Section 772.122, Health and Safety Code, to make a conforming change.

SECTION 10. Repealers: Sections 771.0711(g) (relating to the required reimbursement for expenses related to 9-1-1 service upon receipt of an invoice for reasonable expenses) and (j) (relating to the provision that nothing in Section 711.0711 precludes certain funds collected from being used to cover costs under Subsection (g)), Health and Safety Code.

SECTION 11. Provides that the changes in law made by this Act apply only to a fee imposed or expense that is due during a billing cycle that occurs on or after January 1, 2022. Provides that a fee imposed or expense due during a billing cycle that occurs before January 1, 2022, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 12. Effective date: September 1, 2021.